



# **VALUATION REPORT[FINAL]**

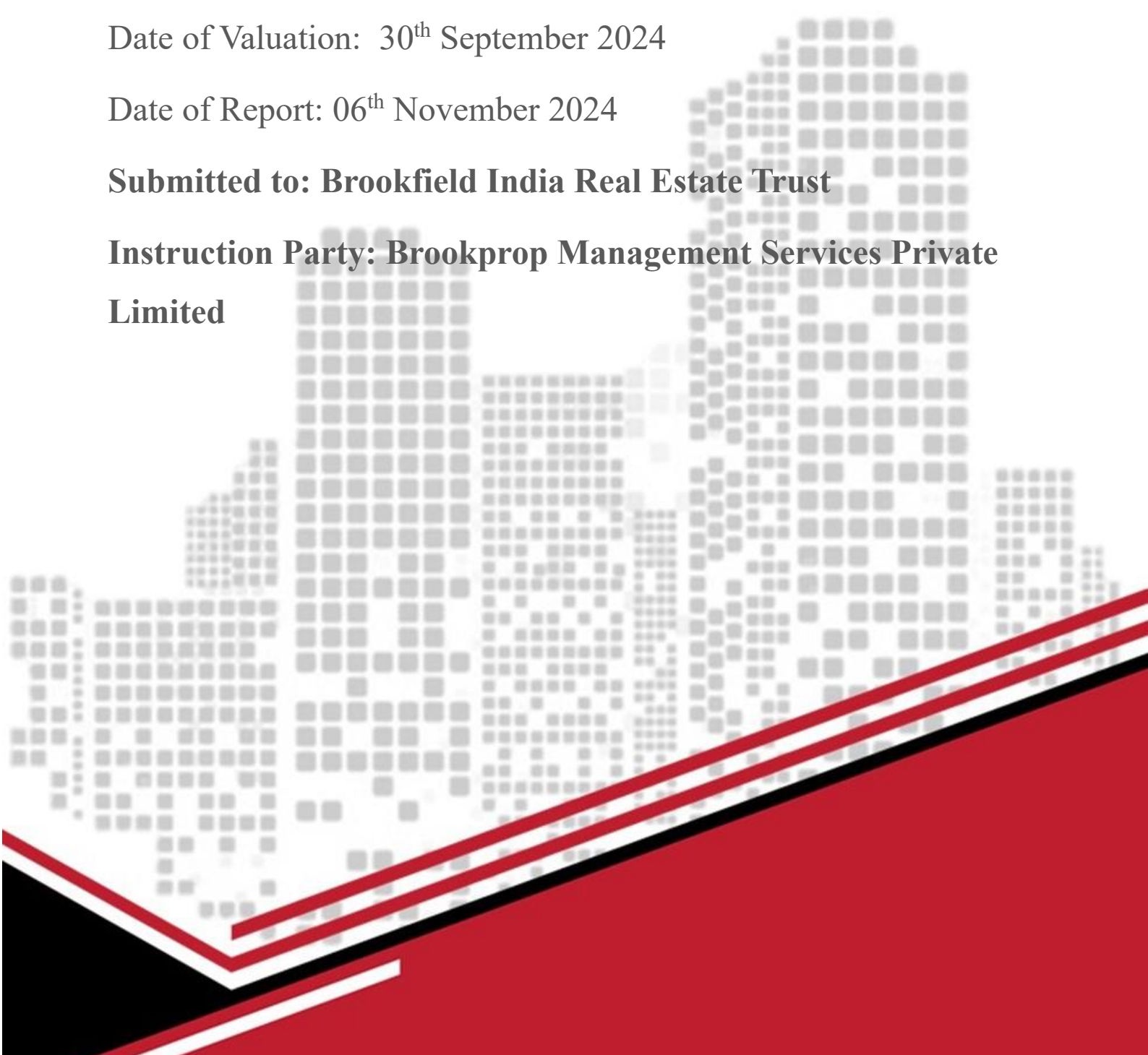
## **Downtown Powai (SEZ), Powai, Mumbai Region**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 06<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**

**Instruction Party: Brookprop Management Services Private Limited**





## **Disclaimer**

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 22<sup>nd</sup> September 2023 to Letter of Engagement ("LOE") dated 23 December 2022 without the prior written consent of the Valuer.*


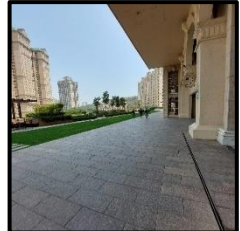


*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in as the agreed upon the Letter of Engagement ("LOE") dated 23 December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*



## Executive Summary

<b>Kensington (A &amp; B), SEZ Building, Powai, Mumbai, India</b>		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	 View 1 of Subject Property
<b>Site Visit Date:</b>	17 <sup>th</sup> April 2024	
<b>Valuation Methodology:</b>	10 Year Discounted Cash Flow	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India in accordance with the SEBI (REIT) Regulations, 2014	
<b>Location / Situation:</b>	<p>Kensington is located at Hiranandani Business Park, CTS No. 28A, Powai, Mumbai Maharashtra – 400076, India. The standalone private IT/ITeS Special Economic Zone (SEZ) development is spread over 8.96 acres comprising of buildings known as Kensington A and Kensington B (hereinafter referred to as the Subject Property) is located at Andheri &amp; Powai micro market, which is home to a number of IT and Non-IT establishments. Andheri &amp; Powai micro-market is bounded by Powai Lake to its north, Andheri to its west, Ghatkopar and Vidya Vihar to its south and Vikhroli and Kanjurmarg to its east. The micro-market enjoys good road connectivity via Jogeshwari-Vikhroli Link Road (JVLR), Chandivali Road and Hiranandani Link Road. Kensington is surrounded by residential projects developed by Hiranandani Group. Some of the prominent office developments in the vicinity are Supreme Business Park, Scorpio House, Prima Bay, Delphi, Godrej IT Park, Solitaire Corporate Park, Kanakia Wall Street, Times Square, Raiaskaran Tech Park etc. It also houses prominent tenants such as Tata Consultancy Services, Wipro, GE Oil &amp; Gas India Pvt Ltd, Larsen &amp; Toubro etc.</p>	 View 2 of Subject Property   View 3 of Subject property
<b>Description:</b>	<p>Kensington is a private IT/ITeS SEZ office space comprising one ready and operational building with two wings (Kensington A &amp; Kensington B) occupied by multiple tenants:</p> <p><b>Completed Buildings with Occupancy Certificate (OC) received – Kensington (A &amp; B)</b></p> <p>The operational buildings collectively admeasure 1,607,684 sq. ft. of leasable area with 95.58% committed occupancy*.</p> <p>The large parking requirement is catered by four parking levels contributing to 1,469 parking spaces. Kensington has two entry and two exit points providing access to D.P. Road and Internal Wide Road.</p>	 View 4 of Subject property
<b>Total Area:</b>	<p>Total Land Area: 8.96 acres</p> <p>Total Leasable Area**: 1,607,684 sq. ft.</p>	

*Source: Architect's Certificate (Dated: 16<sup>th</sup> October 2024), Rent Roll as on 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information*



*\*\*Total leasable area for Kensington A includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq Ft) and Total leasable area for Kensington A & B includes area occupied for Towers (3 Sq Ft) (Kensington A – 2 Sq. ft & Kensington B – 1 Sq. ft). The income for the said areas are included in the "Other Income".*

*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area*

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which he has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 September 2024	INR 28,527 Million	Indian Rupees Twenty-Eight Billion Five Hundred and Twenty-Seven Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report



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**From: L. Anuradha Vijay, MRICS  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)**

**To: Brookfield India Real Estate Trust**  
**Property: Kensington, Powai, Mumbai, Maharashtra, India**  
**Report Date: 06<sup>th</sup> November 2024**  
**Valuation Date: 30<sup>th</sup> September 2024**

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”)**, has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Mumbai (hereinafter referred to as “Subject Property” and/or “Kensington”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 8 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha Vijay is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor in Architecture in 2002 and Masters in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining Cushman, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with Price Waterhouse Coopers in the Government, Real estate and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the State Governments in India.



Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at CWI. As an Associate Director of the Valuation and Advisory team at CWI, Ms. L. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. L. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

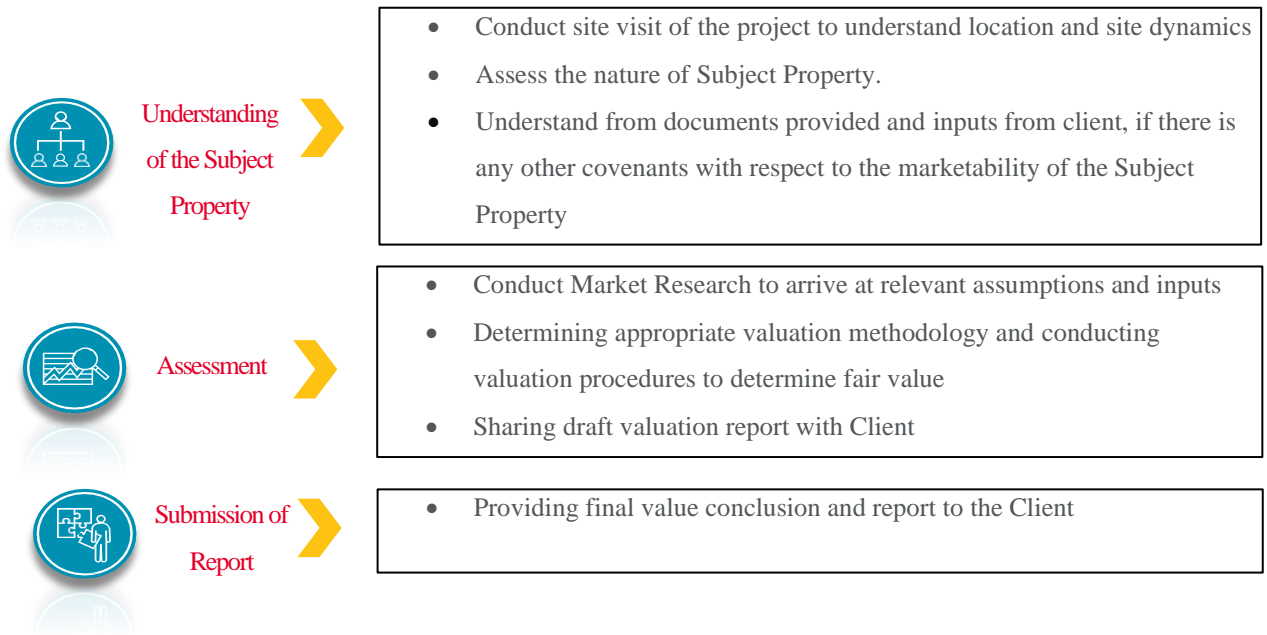
### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

Market Value” is defined as ‘*The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*’



## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same has been derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the subject property.

*For the purpose of the valuation of Subject Property, Income Approach – Discounted Cash Flow Method using Rental Reversion has been adopted.*

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 8 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.



## **8 Inspection**

The Property was inspected on 17<sup>th</sup> April 2024 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the subject property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under this Agreement, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by him due to such usage other than for the purpose as contemplated under this Agreement. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in his favor, reasonably satisfactory to him for any use of the Report other than for the purpose permitted under this Agreement. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## **12 Reliant Parties**

The reliance on the valuation reports prepared as part of this engagement to Brookprop Management Services Private Limited ("Manager"), the Brookfield India REIT ("Brookfield REIT") and auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), credit rating agencies and Axis Trustee Services Limited, the trustee to the Brookfield REIT (Trustee") for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers. The Valuer, however, would extend no liability to such reliant parties.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation ("Reliant Party") and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

### **13 Limitation of Liability**

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

### **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

### **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under the LOE including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate the LOE without any liability or obligation on her part.



Such termination of the LOE shall not in any way prejudice the rights and obligations (including payment for the services delivered under the LOE) already accrued to the Valuer, prior to such termination.



## **B Mumbai Region Overview**



For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman & Wakefield India Private Limited (CWI), who has been appointed by the Client as an independent consultant to carry out industry and market report.

## 1 Mumbai Region Overview

Mumbai is India's financial and commercial capital. The presence of vibrant capital and money markets makes the city the first choice of entry for financial services firms. Mumbai houses the headquarters of major corporates & financial institutions such as ICICI Bank, HDFC Bank, Life Insurance Corporation of India, etc. India's main stock exchanges & capital market and commodity exchanges (National Stock Exchange – NSE, Bombay Stock Exchange – BSE and Multi Commodity Exchange – MCX) are also located in Mumbai. It is also home to Bollywood, the Indian Television and Film Industry.

The map below highlights the key office micro markets of MMR region illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in MMR.



Source: C&WI Research

(Map not to scale)

The key drivers of demand for office space in Mumbai Region are as follows:

- **Financial capital and Services hub:** Mumbai, which is referred as India's financial capital, houses corporate head offices of many Indian banks such as ICICI Bank, HDFC Bank, etc. and stock exchanges such as, NSE, BSE etc. It is also home to global consultancy firms, legal and professional services, media houses, accounting professionals, etc. like Boston Consulting Group, HDFC Bank, EY, Johnson & Johnson, Warburg Pincus, Hindustan Unilever, Nestle, McKinsey & Company, Procter & Gamble, BNP Paribas.
- **Global In-house Centers/ Global Capability Centers:** Mumbai is a hub for Global In-house Centers (GICs) / Capability Centers (GCCs) of many Investment Banks mainly from the North American and European markets such as Deutsche Bank, Bank of America, JP Morgan, etc.
- **Social Infrastructure:** Mumbai has established educational institutions and colleges (IIT-Bombay, NMIMS, SP Jain, NIFT etc.), Malls (Phoenix Palladium, High Street Phoenix, R City, Oberoi Mall, Inorbit Mall, etc.), Hospitals (Lilavati, Hiranandani, Fortis, Tata Memorial Hospital, Jaslok Hospital, etc.) and hotels (St. Regis, Renaissance, JW Marriott, Hilton, Four Seasons, ITC Maratha, Leela etc.).
- **Transport infrastructure:** Mumbai is well connected via road with availability of infrastructure like the Eastern Express Highway, Western Express Highway, Eastern Free Way, Bandra-Worli Sea Link, etc. It also provides good railway connectivity with three railway lines, an operational metro line across 390 km carrying 8 million passengers daily and a monorail line. Mumbai is also well connected via air with other cities in India and other global cities with the help of 2 operational passenger terminals (Domestic and International) and one cargo terminal at Chhatrapati Shivaji Maharaj International Airport. Mumbai is the gateway city of India with 2<sup>nd</sup> busiest airport (Chhatrapati Shivaji Maharaj International Airport having 45.87 million passengers in FY20 connecting to 61 domestic and 48 international destinations). Mumbai Region also has the largest container port of India (Jawaharlal Nehru Port Trust with 68.45 million tons of cargo in FY20).
- **Ongoing/Planned infrastructure projects:** Key initiatives include USD 12 billion of proposed investment from 2019-24 for the Navi Mumbai International Airport (expected to be completed by 2024 with a capacity of 60 million passengers per annum), various road projects (including the 29.80 km Mumbai Coastal Road Project (MCRP) is an under-construction access-controlled expressway with a route connecting Princess Street Flyover in South Bombay with Kandivali in the northern suburbs. The 8-lane freeway, with 2-lanes reserved for BRTS corridor, will have 22 entries and exits, two earthquake resistant undersea tunnels of 3.4 km each at Girgaum Chowpaty and Malabar Hill, and 13 cross tunnels to be used for emergency).



The table below highlight the key statistics of Mumbai's office micro markets

Particulars	Mumbai - Overall	CBD	**Andheri and Powai	Thane Belapur Rd	Malad – Goregaon	Worli – Lower Parel	BKC & Annexe	Thane	Central Suburbs	Eastern Suburbs	Vashi & Others	Competitive REIT Micro-Markets^
<b>Total completed stock 9M 2024 (msf)</b>	111.4	2.1	22.6	17.6	16.8	15.1	10.8	10.5	6.2	6.1	3.9	19.8
<b>Current occupied stock 9M 2024 (msf)</b>	94.0	2.0	19.4	14.8	15.0	10.5	9.9	9.6	4.5	5.7	2.8	18.2
<b>Current Vacancy 9M 2024 (%)</b>	15.6%	5.7%	14.0%	15.9%	10.6%	30.5%	8.0%	9.0%	27.6%	6.3%	26.7%	8.2%
<b>Future Supply –Q4 2024 E – 2026 E (msf)</b>	15.2	0.0	3.2	1.8	0.0	1.1	1.4	2.4	0.0	3.2	0.5	5.3
<b>Market Rent – 9M 2024 (INR psf / month)</b>	144.3	235.3	139.1	66.6	133.9	206.0	288.6	74.0	136.4	140.5	91.9	169.1*

Source: Cushman & Wakefield Research

Notes: The rentals are in INR psf / month on leasable area, the rentals are basis the prevailing quotes in the micro market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

\* Average incorporating the quoted rentals for high street retail.

\*\*Subject Property Micro-Market

^ A Competitive REIT micro-market consists of comparable set of buildings (peer set to properties in Powai submarket) to Powai submarket in micro markets of Andheri & Powai, Malad & Goregaon and Eastern Suburbs. The peer set considered is based on parameters such as size of the parks, floor plates, tenant profile, proximity to catchment area, infrastructure and certain additional criteria



## **2 Brookfield India REIT's City Market – Mumbai**

Brookfield India REIT has the following asset in Mumbai.

Kensington Tower (A & B Wing), Andheri & Powai, Mumbai (herein after referred to as REIT asset).

Kensington Towers is a freehold, 1.60 million sq. ft. Grade-A office SEZ complex and is uniquely positioned as the only private IT/IteS SEZ in the Mumbai region excluding Thane and Navi Mumbai. It is well positioned in the micro-market due its proximity to well-developed social infrastructure and the upcoming metro stations (IIT – 2.6 km from the Subject Property) which is a key differentiating factor, given an increasing focus by corporate occupiers on the ease of commute for their employees. The office park is situated within Hiranandani Gardens, Powai, a modern township comprising residential towers, office complexes, hospitals, schools and high street retail. This 'live-work-play' ecosystem has grown to become a key differentiating factor for the office park, driven by an increasing focus by corporate occupiers on lifestyle solutions for their employees.

Kensington asset located in Andheri and Powai micro market, which is one of the established commercial precincts in Mumbai with well-planned infrastructure and proximity to residential areas. Demand for office space in this micro-market has significantly increased over the last few years due to larger properties, improving infrastructure, availability of quality residences and excellent connectivity to other parts of Mumbai. The office park will further benefit through improved intra-city transportation links resulting from the ongoing metro construction in both east-west and north-south corridors.

### 3 Competitive REIT Micro Market

#### 3.1 Overview

Subject Property are Grade A assets with a developed office ecosystem with High Street Retail catering to multinational tenants and having bigger floor plates. Keeping in mind parameters such as proximity, tenant profile, grade of asset and certain additional criteria the peer set (properties comparable to the Powai Submarket) of the Powai Submarket is also present in two other micro markets viz. Malad Goregaon and Eastern Suburbs. Hence, the comparable set of office buildings (including IT / IT SEZ and Non-IT buildings) in Andheri & Powai, Malad Goregaon and Eastern suburbs micro markets are together referred as the competitive REIT micro market. The buildings in these micro markets are selected keeping in mind parameters such as size of the parks, floor plates, tenant profile, proximity to catchment area, infrastructure and certain additional criteria.

#### 3.2 Social and Physical Infrastructure



Source: Cushman & Wakefield Research  
(Map not to scale)



● *Key Commercial Developments*
● *Social Infrastructure*
● *Lifestyle Infrastructure*
● *Proposed/Under Construction Office Developments*
● *Hospitality Developments*
● *Higher Education Institutions*

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Kanakia Wall street (8.1 km)	1. Hiranandani Hospital (6.4 km)	1. Galleria (0.5 km)	1. Signis (3.7 km)	1. Ramada Plaza (3.9 km)	1. IIT Powai (1.6 km)
2. Supreme Business Park (0.7 km)	2. Hiranandani School (0.5 km)	2. Binge Central (0.8 km)	2. Runwal R-Square (13.0 km)	2. Renaissance Hotel (3.8 km)	2. IBS Business School (1.2 km)
3. Prima Bay (3.1 km)	3. Seven hills Hospital (5.5 km)	3. Haiko (0.6 km)	3. Lighthall Annexe (3.9 km)	3. Lakeside Chalet (3.4 km)	3. Chandrabhan Sharma College (1.0 km)
4. The ORB (5.0 km)	4. Nahar International School (2.5 km)	4. R-City Mall (3.3 km)	4. 2 <sup>nd</sup> Avenue (5.7 km)	4. Meluha- The Fern (0.7 km)	4. S.M. Shetty College (0.5 km)
			5. NDW Altima (4.0 km)		
			6. Nexus 10 (4.9 km)		

The subject micro market is connected to Jogeshwari-Vikhroli Link Road (JVLR) which further connects the Western & Eastern Express Highway on either side. It is also easily accessible from LBS Road via Vikhroli. Kanjurmarg Railway Station is the nearest railway station from the Subject Property.

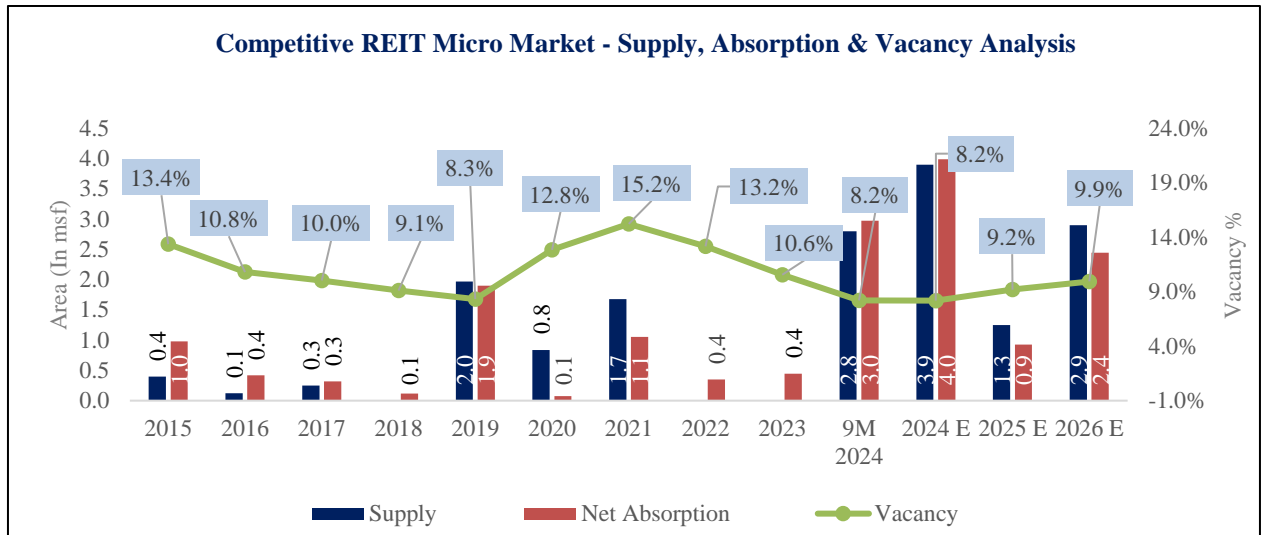
Metro Line-6, in between Swami Samarth Nagar to Vikhroli (EEH) has been proposed to provide further inputs in the infrastructure of Greater Mumbai. Proposed Metro line is 15.31 Km in length & running from Swami Samarth Nagar to Vikhroli (EEH) passing through Jogeshwari, WEH, Powai. This line is fully elevated and it connects Western Express & Eastern Express Highways. It gives interchange facilities at Aadarsh Nagar of Line-2A, JVLR station of Line-7, Aaray Depot station of Line-3 and Gandhi Nagar of Line-4 at different locations. It has 13 stations and most of the alignment is passing on the median of Jogeshwari-Vikhroli link road. It will cut travel time between Andheri and Eastern Express Highway by 30-45 minutes.

Metro Line 3 is an underground metro project which will connect Colaba and Seepz. Of which Phase I (Aarey to BKC) has been operational since October 2024 and Phase II (BKC to Colaba) is currently under construction and it is projected to be operational by May 2025. Whereas Metro Lines 2A (Dahisar to D.N Nagar) & 7 (Andheri East to Dahisar East) are operational.



### 3.3 Supply, Absorption & Vacancy – Competitive REIT Micro Market

The supply, absorption vacancy trend analysis for Competitive REIT Micro Market are as follows:



Source: Cushman & Wakefield Research

Notes:

1. Only Grade A office spaces have been considered
2. Only Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trends
3. The Net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.

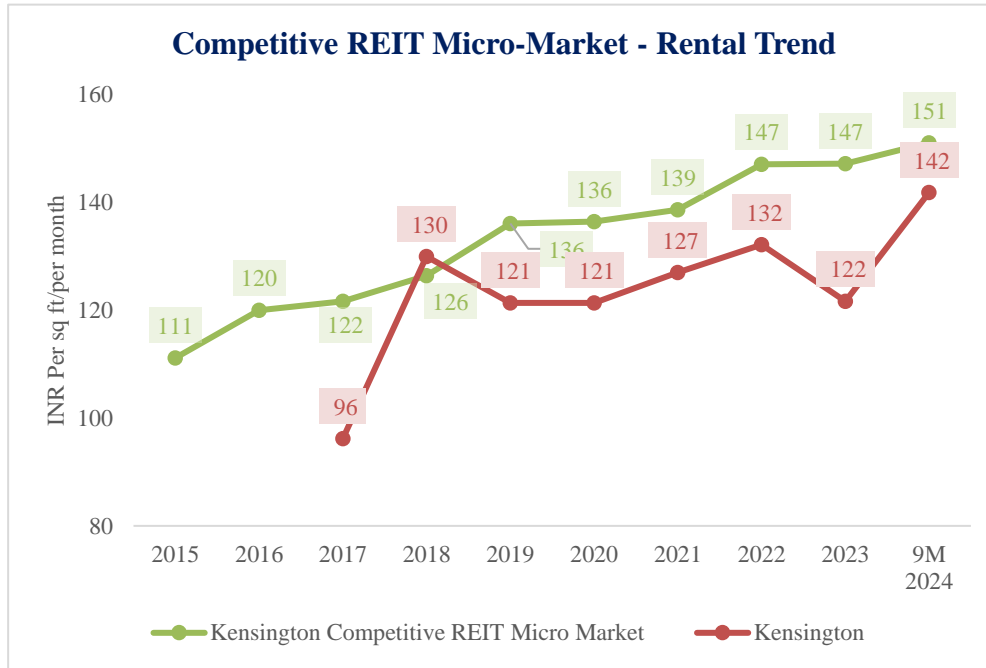
As of 9M 2024, approximately 19.8 million sq. ft. of Grade A stock is present in the Competitive REIT Micro Market of which ~65.0% (12.90 million sq. ft.) is IT/IT SEZ stock. Absorption in Competitive REIT Micro Market led by BFSI and Technology tenants consistently outpaced the total supply leading to declining vacancy levels from 13.4% in 2015 to 8.3% in 2019. However, due to the outbreak of COVID-19, net absorption in the Competitive REIT micro-market (apart from the 1.1 msf of pre-commitment at Nirlon Knowledge Park being translated into absorption) remained broadly muted during 2020-2021, vacancy levels increased to ~15.2% by 2021. Post 2021, the Competitive REIT micro-market has witnessed strong traction leading the vacancy level to drop to 8.2% in 9M 2024 from 15.2% in 2021.

Demand for office space in this micro-market over the years have been driven by presence of larger properties, improving infrastructure, availability of quality residences and excellent connectivity to other parts of Mumbai. The micro-market also attracts demand from large GCCs and professional services organizations, such as KPMG, JP Morgan, Deutsche bank, Morgan Stanley, Deloitte etc. both in technology and financial services sector for their expansion and consolidation.

Given low vacancy levels in the competitive REIT micro-market and continued strong demand for good quality buildings with strong landlord profile, we expect good traction in these markets however, we expect a marginal increase in Vacancy to ~9.9% by 2026 E.

### 3.4 Rental Trend Analysis

The rental trend analysis for Competitive REIT Micro Market and the Subject Property is as follows.



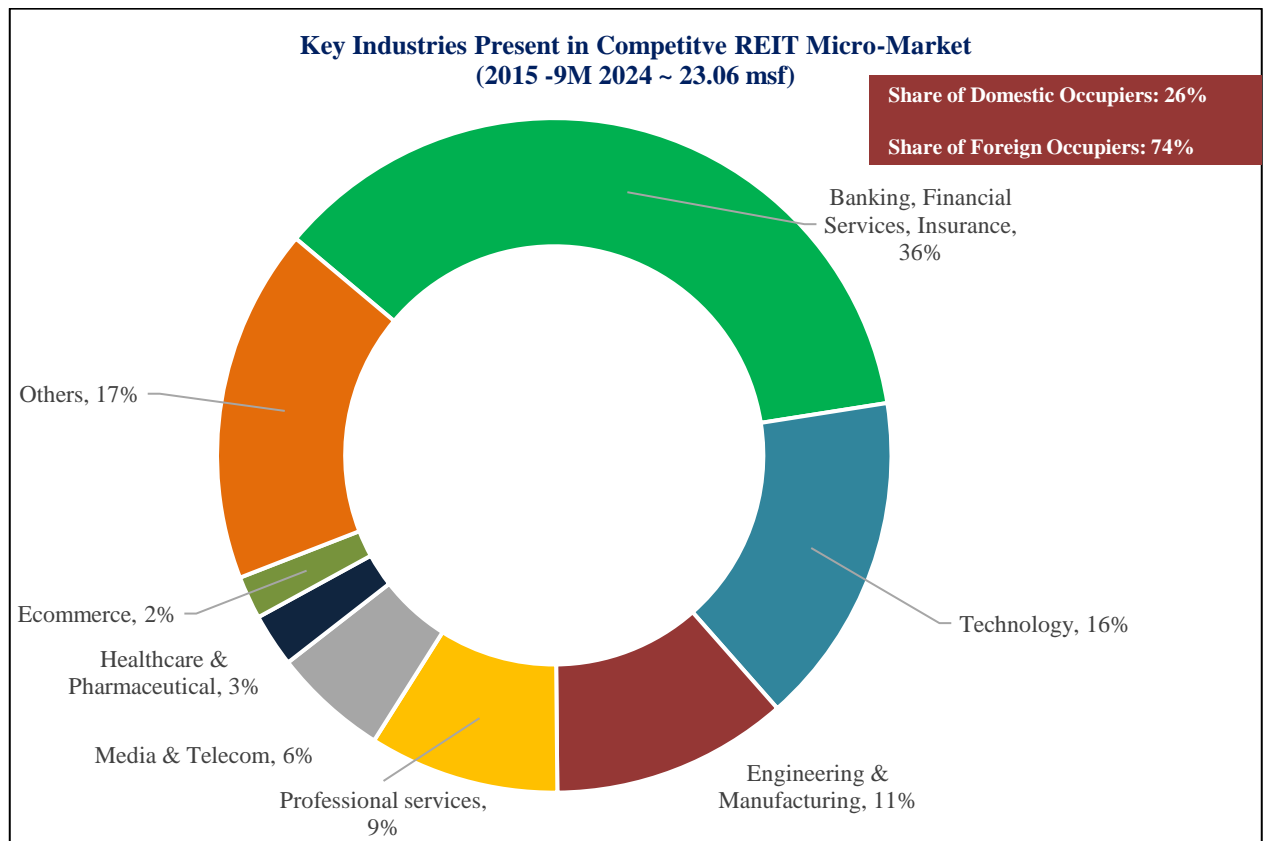
Source: Cushman & Wakefield Research

Notes:

1. The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. Rentals for Kensington Properties have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include fresh leases and renewals from existing tenants, adjusted to asset level efficiency.
3. Rentals presented above are weighted average values on completed stock.

Considering the parameters such as proximity, tenant profile, grade of asset and certain other criteria, for Subject Property, we have compared the Rentals for Subject Property with the Kensington Properties Competitive REIT micro-market, which includes select buildings comparable to Subject Property.

### 3.5 Sector Demand Analysis – competitive REIT Micro Market (2015 – 9M 2024)



Source: Cushman & Wakefield Research

**Notes:**

*Others include tenants involved in hospitality, logistics & shipping, FMCG, retail, real estate & related services, etc. The sectoral absorption analysis is based on gross absorption activity of micro market including any relocations, consolidations etc*

This competitive REIT micro market consists of quality grade-A buildings which are easily accessible due to presence of strong physical infrastructure. The micro-market has strong social infrastructure and has large concentration of BFSI tenants. This is primarily due to availability of premium grade A developments, enhanced connectivity due to presence of strong existing and upcoming physical infrastructure, proximity to talent pool catchment areas, presence of strong social infrastructure within the micro-market etc. Occupiers from BFSI sector such as Deutsche Bank, IDFC First Bank, TIAA Global, Nomura, JP Morgan etc. contributed to 36% of leasing activity in Competitive REIT micro market. Technology sector which contributed 16% to the leasing activity is the second most dominant sector in this micro market with occupiers such as Tata Consultancy Services (TCS), Accenture, Wipro, Here Solutions etc. Engineering & Manufacturing and Professional services also contributed ~11% and ~9% to the leasing activity respectively. The mix of foreign vs. domestic occupants in Competitive REIT Micro Market is 74:26.



#### **4 Market Outlook**

According to the market assessment report of Cushman & Wakefield current average market rentals of comparable properties in the Andheri & Powai and competitive REIT micro-market are in the range of INR 120-170 per sq. ft./m for IT/ItS/IT SEZ properties, INR 130-180 psf / month for commercial and INR 200 to 450 for high street retail which is broadly in line with the recent leases signed in the Subject Property. Further over 2015-2019, during the pre-COVID period, the rentals in Subject Property's competitive REIT micro market grew at a CAGR of ~4.5% and have displayed significant resilience during the COVID period, growing at a CAGR of ~2.8% over 2019- 9M 2024.

While Global economic growth has been witnessing major headwinds across varied sectors, Indian markets have displayed significant resilience to the global impacts. Over the recent years, several companies have made significant additions to their workforce, while not being aggressive on expansion of the office spaces (Some of the major companies include Google, Microsoft, Apple, Meta, TCS, Infosys, Wipro, HCL Tech and others). While several layoffs have been announced by some of these corporates at a global level, impact on their Indian operations is not as severe. Attrition rates for Indian IT majors have started witnessing some improvements.

Several organizations have been contemplating strategies with respect to the hybrid work models – flexible arrangement, allowing employees to combine onsite and offsite work as required. These organizations have started implementing return to office strategies for their employees to work from office for atleast 2-3 days in a week.

While there have been delays in decision making, driven by global headwinds, we expect the demand for offices spaces to remain strong, majorly driven by IT-BPM sector and GCCs. We expect strong tailwinds to the demand for office spaces, majorly driven by IT-BPM sector and GCCs.



## **C      SUBJECT PROPERTY REPORT**

## **1 Address, ownership and title details of Subject Property**

Address:	Kensington, Hiranandani Business Park, CTS No. 28A, Powai, Mumbai, Maharashtra 400076
Ownership & title details:	Land tenure: Freehold; the land and buildings thereupon are owned and controlled by the Brookfield India REIT

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Report prepared by DSK Legal (hereinafter referred to as 'Legal Counsel'). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Report prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Report shared, there are no material litigation including tax disputes relating to the Subject Property or any compounding charges affecting the valuation of the Subject Property.

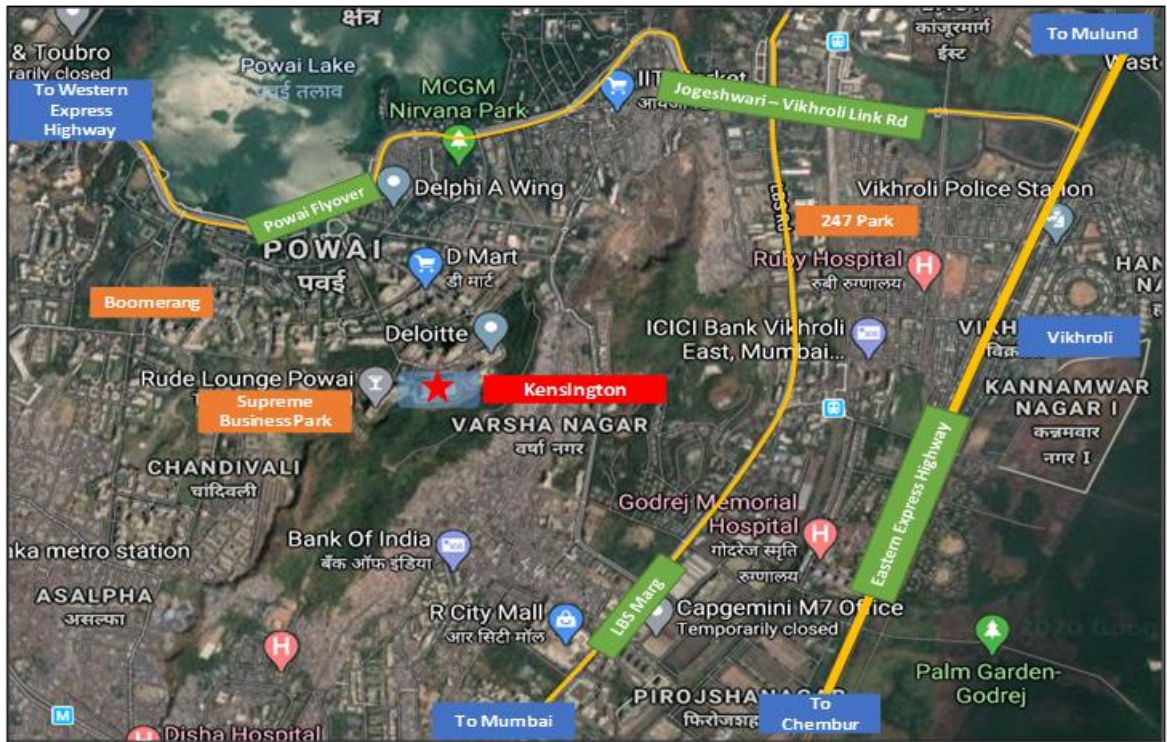


## 2 Location

### 2.1 General

The Subject Property is located at Andheri & Powai micro-market, which is bounded by Powai Lake to its north, Andheri to its west, Ghatkopar and Vidya Vihar to its south and Vikhroli and Kanjurmarg to its east. The micro-market enjoys good road connectivity via Jogeshwari-Vikhroli Link Road (JVLR), Chandivali Road and Hiranandani Link Road. Kensington is surrounded by residential projects developed by Hiranandani Group. Some of the prominent office developments in the vicinity are Supreme Business Park, Scorpio House, L&T Business Park, Delphi, Godrej IT Park, Solitaire Corporate Park, Kanakia Wall Street, Times Square, Raiaskaran Tech Park etc. It also houses prominent tenants such as Tata Consultancy Services, Wipro, Cognizant, etc.

Kensington is within close proximity to some of the renowned hotels like Meluha, The Fern and The Beatle and is also well connected to major locations in city via multiple modes of communication:



(Map not to scale)

The site boundaries for the Subject Property are as under:

North	South Avenue Road.
East	Hiranandani Gardens.
West	Forest Area.
South	Supreme Business Park.

Kensington is the only private IT/ITeS SEZ in the Mumbai region excluding Thane and Navi Mumbai and is well positioned in the Andheri & Powai micro-market due to its proximity to the residential areas, well developed social infrastructure and the upcoming metro station (IIT – 2.6 km from the Subject Property).

## **2.2 Accessibility**

The Subject Property is well connected to major locations in city via multiple modes of communication. The distance of Kensington from major landmarks in Mumbai Metropolitan Region (MMR) is as follows:

- Approximately 4 km from LBS Marg
- Approximately 2.3 km from IIT Powai
- Approximately 4.2 km from Kanjurmarg Railway Station
- Approximately 14 km from Eastern Express Highway
- Approximately 6.5 km from Chhatrapati Shivaji International Terminal
- Approximately 8.2 km from Western Express Highway
- Approximately 11 km from Mumbai Domestic Terminal
- Approximately 11 km from Bandra Kurla Complex

## **2.3 Ground Conditions**

Based on visual inspection, there were no evidence of adverse ground conditions at the Subject Property or its immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the property with respect to risks pertaining to earthquakes, high winds/cyclone and flooding was studied. Mumbai where the Subject Property is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too.

No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster. The Subject Property is located on a higher elevation compared to its immediate surroundings, indicating low risk of flooding and does not face any significant problems of flooding or waterlogging.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the property and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### **3 Subject Property – Asset Description**

Kensington constitutes one building with two wings (Kensington A & Kensington B) and is categorized under one component viz. completed buildings. The listing of buildings is as follows:

#### **Completed buildings with Occupancy Certificate (OC) received – (Kensington A & B)**

The building wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Status	Expected Completion Date
Kensington A*	900,365	Completed	NA
Kensington B*	707,319	Completed	NA
<b>Total</b>	<b>1,607,684</b>		

*Source: Architect's Certificate (Dated: 16<sup>th</sup> October 2024), Rent Roll as on 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information*

*\* Total leasable area for Kensington A includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq. Ft) and Total leasable area for Kensington A & B includes area occupied for Towers (3 Sq Ft) (Kensington A – 2 Sq. ft & Kensington B – 1 Sq. ft). The income from leased tower is included in "Other Income".*

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received

Particulars	Details
<b>Entity:</b>	Festus Properties Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Festus Properties Private Limited which is 100% owned and controlled by the Brookfield India REIT <sup>1</sup>
<b>Asset Type:</b>	Approved IT/IteS SEZ
<b>Sub-Market:</b>	Andheri & Powai
<b>Approved and Existing Usage:</b>	IT/IteS SEZ
<b>Land Area (acres):</b>	~8.96
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	1,607,684 sq. ft.
<b>Occupied Area:</b>	1,536,580 sq. ft.
<b>Committed Occupancy (%)<sup>3</sup></b>	95.58%
<b>Current Effective Rent (excluding parking)</b>	INR 125 per sq. ft. per month (inclusive of Office tenants only)
<b>Current Effective Rent (excluding parking)</b>	INR 125 per sq. ft. per month (inclusive of Office, ATM and Telecom tenants)
<b>Number of Tenants</b>	7 (office)

Source: Architect's Certificate (Dated: 16<sup>th</sup> October 2024), Rent Roll as on 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

Note:

1. Refer company structure set out in (Annexure 2)
2. Total leasable area for Kensington A includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq Ft) Total leasable area for Kensington A & B includes area occupied for Towers (3 Sq Ft) (Kensington A – 2 Sq. ft & Kensington B – 1 Sq. ft). The income for the said areas are included in the "Other Income".
3. Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed area
4. The Current Effective Rent is as per the Rent Roll dated 30<sup>th</sup> September 2024. Kensington has 1,469 car parks. We have assumed the car parks to maintain status quo. The parking charges are assumed to be applicable over and above the applicable lease rent

### 3.2 Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 1 operational buildings with 2 wings (Kensington A&B) was physically inspected on 17 <sup>th</sup> April 2024.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational buildings (Kensington A&amp;B)</li> <li>Visits to their key utility areas such as LT electric room (LT), Lift Machine Room (LMR), Pump room, Building Management System (BMS), DG sets, etc.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS SEZ office space offering large floor plates with significant number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Building:</b> <p>The operational building is a single building with 2 wings (A &amp; B) with OC received collectively admeasure 1,607,684 sq. ft. of leasable area.</p> <p>The operational buildings comprise.</p> <p>Office: 1 office tower having 2 wings (A&amp;B) having leasable area of 1,607,684 sq. ft. The office tower are occupied by multiple tenants. Major tenants in these towers are Tata Consultancy Services, Larsen &amp; Toubro, GE Oil &amp; Gas India Pvt Ltd, Ergo Technology and Services Pvt Ltd, Wipro etc.</p> </li> <li> <b>Future development:</b> <p>There is no Future Development Planned as of 30<sup>th</sup> September 2024.</p> </li> </ul> <p><b><u>Parking</u></b></p> <ul style="list-style-type: none"> <li>The large parking requirement is catered by 4 parking levels comprising of lower basement, upper basement, stilt and 2 levels of podium, contributing to 1,469 parking spaces.</li> </ul> <p><b><u>Other Observations</u></b></p> <ul style="list-style-type: none"> <li>Subject Property has two entry and two exit points providing access to D.P. Road and Internal Wide Road.</li> <li>The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.</li> <li>The utility areas also appeared well maintained, visually.</li> <li>No instances of any major logging or water accumulation were observed during the inspection.</li> </ul>	



- Regular upgradation activities are undertaken within the campus.
- The property inspection did not comprise any structural survey, technical/engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.
- It has been given to understand that a separate budget of ~ INR 118.55 million has been provisioned to be spent by Q4 CY 2024, for asset upgradations/tenant improvement. In addition to above, from Q4 CY 2024 onwards, 2.0% of rental income (including parking income) has been provisioned for maintenance of the premises.

### **3.3 Investigation and nature and source of information**

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance/upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by Cushman and Wakefield who were appointed by the Client to undertake market research and portfolio analysis of the assets forming part of the Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

- A. Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property
- B. Architect's Certificates (Dated: 16th October 2024) mentioning site areas and property areas.
- C. Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property
- D. Lease agreements and commercial clauses thereof for major tenants on a sample basis
- E. Masterplan/ Development plan applicable in the jurisdiction of the Subject Property
- F. Management representation regarding the following:
  - i. Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)
  - ii. Statement of Assets
  - iii. Revenue pendency, if any
  - iv. Options or rights of pre-emption and any other encumbrances concerning or affecting the property.



### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property has 7 tenants (for office space) occupying space in the subject property, which include companies like TCS, Larsen & Toubro, GE Oil & Gas India Pvt Ltd, Ergo Technology & Services Pvt Ltd, RXO Global Services India Pvt Ltd, Wipro Ltd & Aptia Group India Private Limited. The Subject Property's 7 tenants with their leased area and gross rental income.

Rank	Top 7 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Tata Consultancy Services	881,898
2	Larsen & Toubro Limited	227,322
3	ERGO Technology & Services Pvt Ltd	135,927
4	GE Oil & Gas India Pvt Ltd	98,225
5	RXO Global Services India Pvt Ltd	72,207
6	Wipro Ltd	67,275
7	Aptia Group India Private Limited	53,698
<b>Total</b>		<b>1,536,552</b>

Source: Rent Roll as on 30<sup>th</sup> September 2024 and Client Information

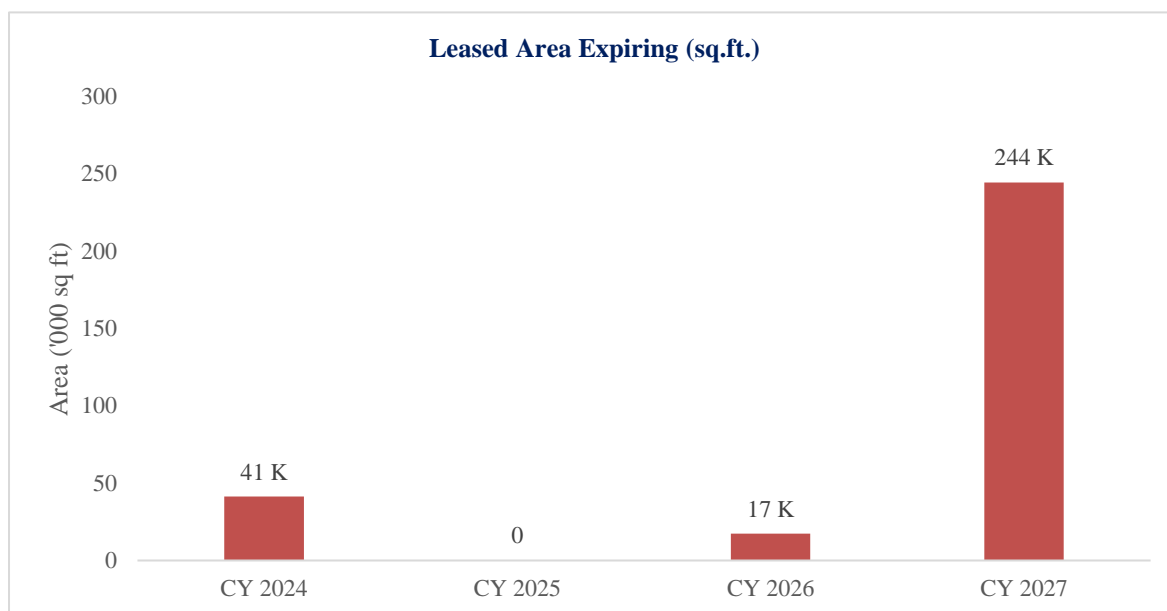
Rank	Top 7 Tenants according to Gross Rentals	Share of Gross Rentals
1	Tata Consultancy Services	55%
2	Larsen & Toubro Limited	16%
3	ERGO Technology & Services Pvt Ltd	9%
4	GE Oil & Gas India Pvt Ltd	7%
5	RXO Global Services India Pvt Ltd	5%
6	Wipro Ltd	4%
7	Aptia Group India Private Limited	4%
<b>Total</b>		<b>100%</b>

Source: Rent Roll as on 30<sup>th</sup> September 2024 and Client Information



### 3.5 Tenant Profile

The Weighted Average Lease Expiry (WALE) of the property is 9.81\* years, with 2.69% of occupied area expiring during CY 2024 as shown in the chart below.



Source: Rent Roll as on 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
- \* Basis the Head of Terms (HOT) provided by Brookfield, we note that Tata Consultancy Services (TCS) has renewed its lease and have structured as 2 phases for Kensington A & B for a total leasable area of 0.88 msf. As per the same, the phase 1 is 0.17 msf which expires in Dec 2037 and phase 2 is 0.71 msf expiring in March 2039. We observe, basis the current Head of Terms, the WALE for the subject property is 9.81 years.

## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Title certificates, architect certificates and other related documents as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by the Cushman & Wakefield (CWI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by Cushman & Wakefield and readily available information in public domain to ascertain the transaction activity of commercial/IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

### **4.3 Cash Flow Projections:**

1. Subject property is a completed building. The cash flows has been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The following steps were undertaken to arrive at the value. Since the subject property is pre-leased to a single tenant, the projected future cash flows from the property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1&2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the subject property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### **4.4 Information Sources:**

Property related information relied upon for the valuation exercise have been provided to the Valuer by the Client and the market data has been provided by Cushman and Wakefield, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Property Details

Property Details	Unit	Details
Total Property Leasable Area*	Sq. ft.	1,607,684
Area Leased	Sq. ft.	1,536,580
Committed Occupancy**	%	95.58%
Vacant Area	Sq. ft.	71,104
Vacancy	%	4.42%
Stabilized Vacancy	%	2.50%
Further Leasing <sup>#</sup>	Sq. ft.	30,913
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases - Post First Year	Months	2
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	1,469
Estimated Leasing Period	# of quarters	1

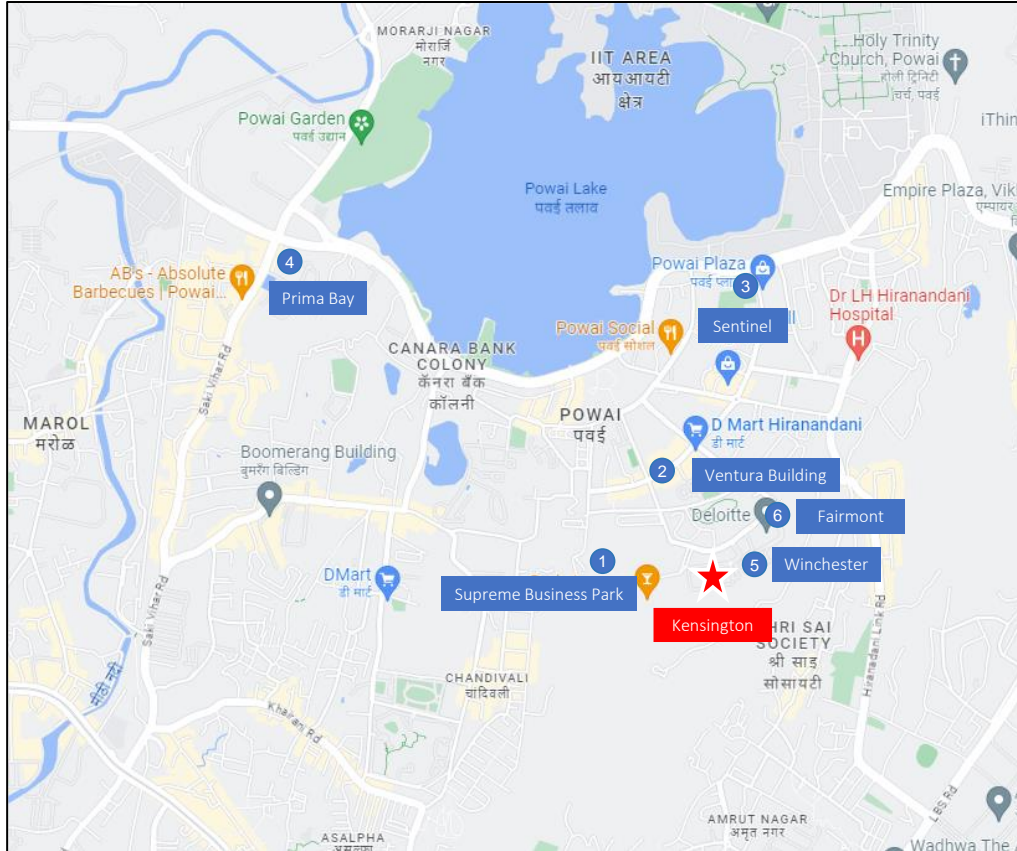
*Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.*

*\* Total leasable area for Kensington A includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq Ft) and Total leasable area for Kensington A & B includes area occupied for Towers (3 Sq Ft) (Kensington A – 2 Sq. ft & Kensington B – 1 Sq. ft). The income for telecom tower area is included in the "Other Income".*

*\*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area*

- **Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of two months has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 – Q3 2024, the subject property's competitive REIT micro market has witnessed an average annual net absorption of approximately 0.88 million sq. ft.
  - Going forward, the Subject Property's competitive REIT micro market is expected to have an average annual demand of approximately 2.86 million sq. ft. per annum over Q4 CY 2024 - 2026.
  - Subject Property has minimal competition considering limited current/future SEZ developments in the micro market. Also, the vacancy level of the Subject Property stands at 4.42%.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease 0.03 million sq. ft. within one quarter i.e. April 2025.
  - Further leasing of 0.03 million sq. ft. has been assumed after incorporating a 2.5% stabilised vacancy, which is a standard for Grade A office properties.

Subject Property and Relevant Existing/Upcoming Supply in the Competitive REIT Micro Market



Note: Blue boxes signify existing supply.

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Base)	Per sq. ft. per month	INR 138.5
Market 4W Parking Rent*	Per bay per month	INR 5,000
Market Rent growth rate from FY 2026 onwards	% p.a.	5.00%
Normal Market Lease Tenure	# of years	5
Normal Market Escalation at end	# of years	1
Market Escalation at the end of Escalation period	%	5.00%
CAM/O&M Income for future leases	Per sq. ft. per month	INR 16.21

*Note: \*The Subject Property has 1,469 car parks, of which no car parks are paid. We have assumed the car parks to maintain status quo.*

- **Market rent - office:**

- During 2023 to Q3 2024, approximately 0.30 million sq. ft. was leased in the rental range of INR 126-140 per sq. ft. per month.

### Lease Transactions CY' 2023 – Q3 CY2024

Tenants Sector	Year	Area (sq. ft)	Rent (INR per sq. ft)
Technology	2024	59,273	130
Technology	2024	57,000	138
Technology	2024	39,572	140
Technology	2024	23,022	126
Technology	2023	1,09,452	130
Technology	2023	14,126	133

*Source: Rent roll as 30<sup>th</sup> September 2024 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view the strong demand in the competitive REIT micro-market coupled with limited available supply and only supply expected to be delivered in 2023 has been mostly pre-committed in the competitive REIT micro-market, it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 138.5 per sq. ft. per month.
- **Market rent growth rate:** Considering low vacancy levels in the competitive REIT micro-market, continued strong demand for good quality buildings with strong landlord profile and improvements in connectivity and upcoming infrastructure to further boost the demand for the micro-market, we expect annual growth in achievable market rentals to be in the range of 5 - 6% in the medium to long term. We have considered 5% as market growth for H2 FY 2024 and onwards.
- **Other income:** We have been provided with other income for Telecom Towers income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. For FY 2025, the O&M income is considered to be INR 16.22 per sq. ft. per month, which is escalated for subsequent years. The O&M margin is INR 5.9 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.

### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
CAM/O&M Expense	Per sq. ft./month	INR 10.36
Payroll Cost	Per sq. ft./month	INR 0.12
PMF Recovery in CAM	Per sq. ft./month	INR 3.27
Property Tax	Million per annum	INR 70.18
Cost Escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Payroll Cost Escalation	% p.a.	8.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Payroll Cost:** As provided by the client, we have considered a budgeted payroll cost of INR 0.12 per sq. ft. The escalation is effective 1 January of every year.
- **Property tax and Insurance Cost:** Property Tax we have considered same as provided by the client and we have projected to increase at 5.0% per annum. Insurance cost forms a part of CAM/O&M cost. The escalation is effective 1 April of every year.
- **Transaction Cost:** Transaction cost has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalisation rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates. In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused.

The cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft.)	Deal Size (INR Mn)	Capitalization Rate
Bhartiya Group	GIC	Hebbal	Bangalore	Bhartiya City	Commercial	2022	30,00,000	28,000	~8%
Brookfield Asset Management	Brookfield REIT	Powai	Mumbai	9 Grade A Properties in Downtown Powai	Commercial	2023	27,00,000	65,000	~8%
Salarpuria Sattva	Continental Automotive	Electronic city	Bangalore	South Gate	Commercial	2022	8,50,885	7,516	8.32%
TRIL Properties	CPPIB	Suburban South	Chennai	TRIL Info Park	Commercial	2022	46,67,000	63,000	~7.6% - 7.7%
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	9,690	7.6% - 7.8%
Embassy Property Developments Pvt. Ltd.	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	7.50%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	7.95%
Brookfield Asset Management	RMZ Group	Portfolio of assets-commercial and one mall	Chennai, Bangalore, Pune	Portfolio of assets-commercial and one mall	Comercial	2020	1,28,00,000	1,46,801	7.50%
Tishman Speyer - GIC	Shapoorji Pallonji - Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%

Source: Secondary Market Research

Note:

\*CPPIB took 51% stake in the property erstwhile held by Prestige estates

The above information is based on information published in public domain and discussions with various market players



- **Discount Rate**

This discount rate applied to the available cash flows reflect the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/properties in the market.

The derived discount rate of ~11.75% for completed properties was found to be aligned with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which he has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows.

Component	Market Value as on	In Figures	In Words
Completed Building	30 September 2024	INR 28,527 Million	Indian Rupees Twenty-Eight Billion Five Hundred and Twenty-Seven Million Only

### Ready Reckoner Rate

Component	Rate (Survey No. 28/A)
Built up area	INR 24,116 per sq. ft.
Land area	INR 7,488 per sq. ft.

Component	Rate (Survey No. 28B)
Built up area	INR 24,116 per sq. ft.
Land area	INR 7,488 per sq. ft.

For reference, please refer Annexure 7

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the guidelines given in Indian Accounting Standard (IndAS) 113

Prepared by



(L. Anuradha)

(IBBI/RV/02/2022/14979)



## **D ANNEXURES**



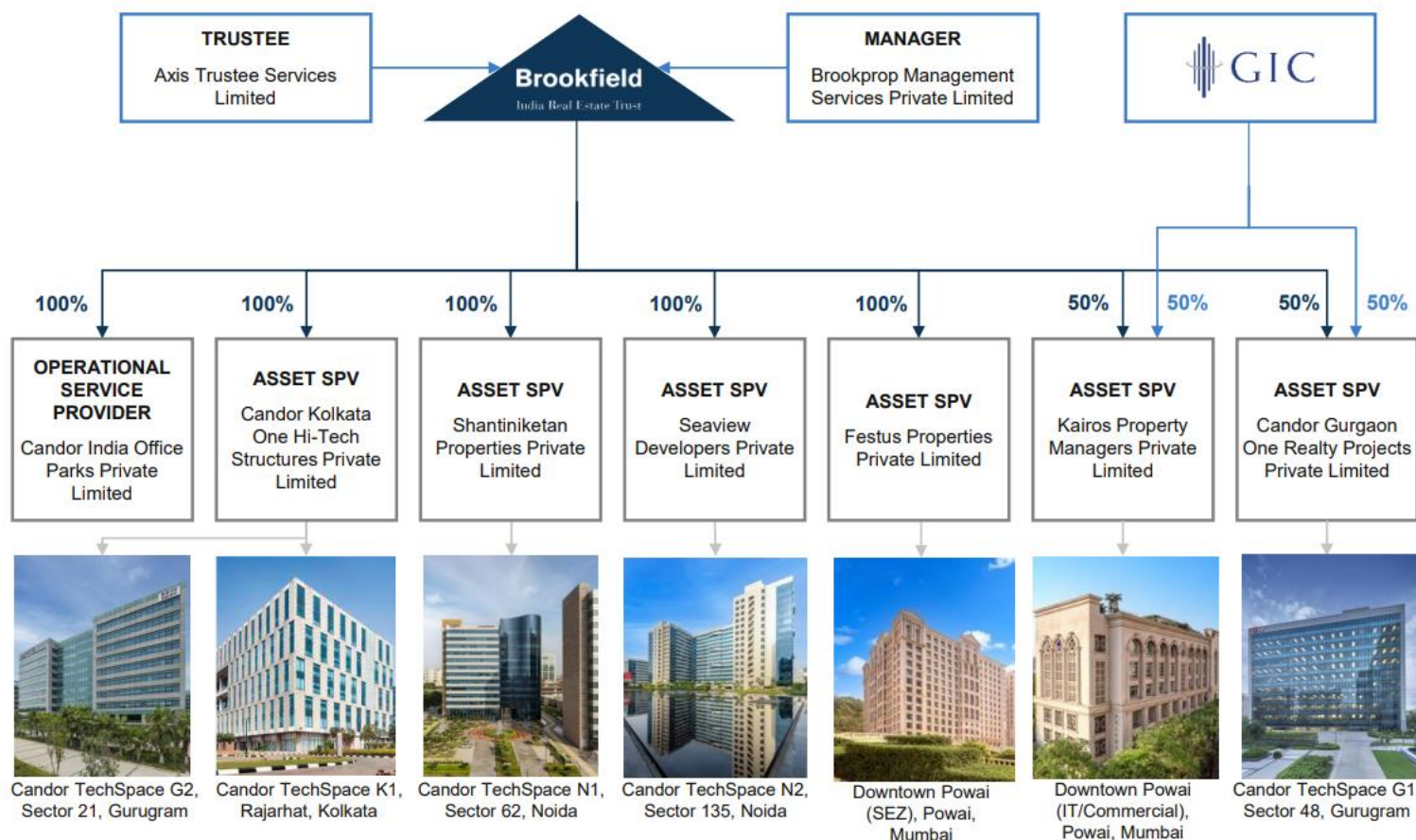
**Annexure 1: Cash Flows**

Particulars	Unit	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00
		01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29	01-Oct-30	01-Oct-31	01-Oct-32	01-Oct-33	01-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	2,112.68	2,249.64	2,313.17	2,455.32	2,587.44	2,758.28	2,931.19	3,017.11	3,220.93	3,308.39	3,557.41
ATM Income	INR Million	2.13	2.24	2.35	2.47	2.59	2.72	2.86	3.00	3.15	3.31	3.48
O&M Income	INR Million	213.07	226.89	238.25	253.85	267.19	281.37	295.46	311.26	327.20	343.60	359.87
Other Income (Telecom)	INR Million	1.33	1.38	1.46	1.53	1.61	1.69	1.77	1.86	1.95	2.05	2.15
<b>Total Income</b>	INR Million	2,329.22	2,480.14	2,555.23	2,713.17	2,858.83	3,044.06	3,231.29	3,333.24	3,553.23	3,657.35	3,922.92
<b>Total Income from occupancy</b>	INR Million	2,329.22	2,480.14	2,555.23	2,713.17	2,858.83	3,044.06	3,231.29	3,333.24	3,553.23	3,657.35	3,922.92
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(204.88)	(215.12)	(225.88)	(237.17)	(249.03)	(261.48)	(274.55)	(288.28)	(302.70)	(317.83)	(333.72)
Payroll Cost	INR Million	(9.47)	(10.23)	(11.05)	(11.93)	(12.89)	(13.92)	(15.03)	(16.24)	(17.54)	(18.94)	(20.45)
Property Taxes	INR Million	(75.54)	(79.31)	(83.28)	(87.44)	(91.81)	(96.41)	(101.23)	(106.29)	(111.60)	(117.18)	(123.04)
<b>Total Operating Costs</b>	INR Million	(289.89)	(304.67)	(320.21)	(336.55)	(353.73)	(371.81)	(390.81)	(410.81)	(431.83)	(453.95)	(477.22)
<b>Net operating Income</b>	INR Million	2,039.33	2,175.48	2,235.03	2,376.62	2,505.10	2,672.25	2,840.47	2,922.43	3,121.40	3,203.40	3,445.70
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	43,071.25	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(430.71)	
<b>Fit Out Income</b>	INR Million	67.76	76.01	77.80	45.06	29.20	-	-	-	-	-	
<b>Total Net Income</b>	INR Million	2,107.09	2,251.49	2,312.82	2,421.68	2,534.29	2,672.25	2,840.47	2,922.43	3,121.40	45,843.93	
Maintenance Capital Expenditure	INR Million	(32.39)	(44.99)	(46.26)	(49.11)	(51.75)	(55.17)	(58.62)	(60.34)	(64.42)	(66.17)	
Brokerage Expenses	INR Million	(14.71)	-	(31.96)	(12.38)	(41.95)	(20.03)	-	(55.94)	(15.80)	(53.54)	
Capital Expenditure	INR Million	(118.55)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	1,941.43	2,206.50	2,234.60	2,360.20	2,440.60	2,597.06	2,781.85	2,806.14	3,041.18	45,724.23	
<b>Discount Rate</b>	11.75%											
<b>NPV as on 30-Sept-24 (INR Million)</b>	28,527											
<b>INR per sq. ft.</b>	17,744											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



## Annexure 2: Ownership Structure



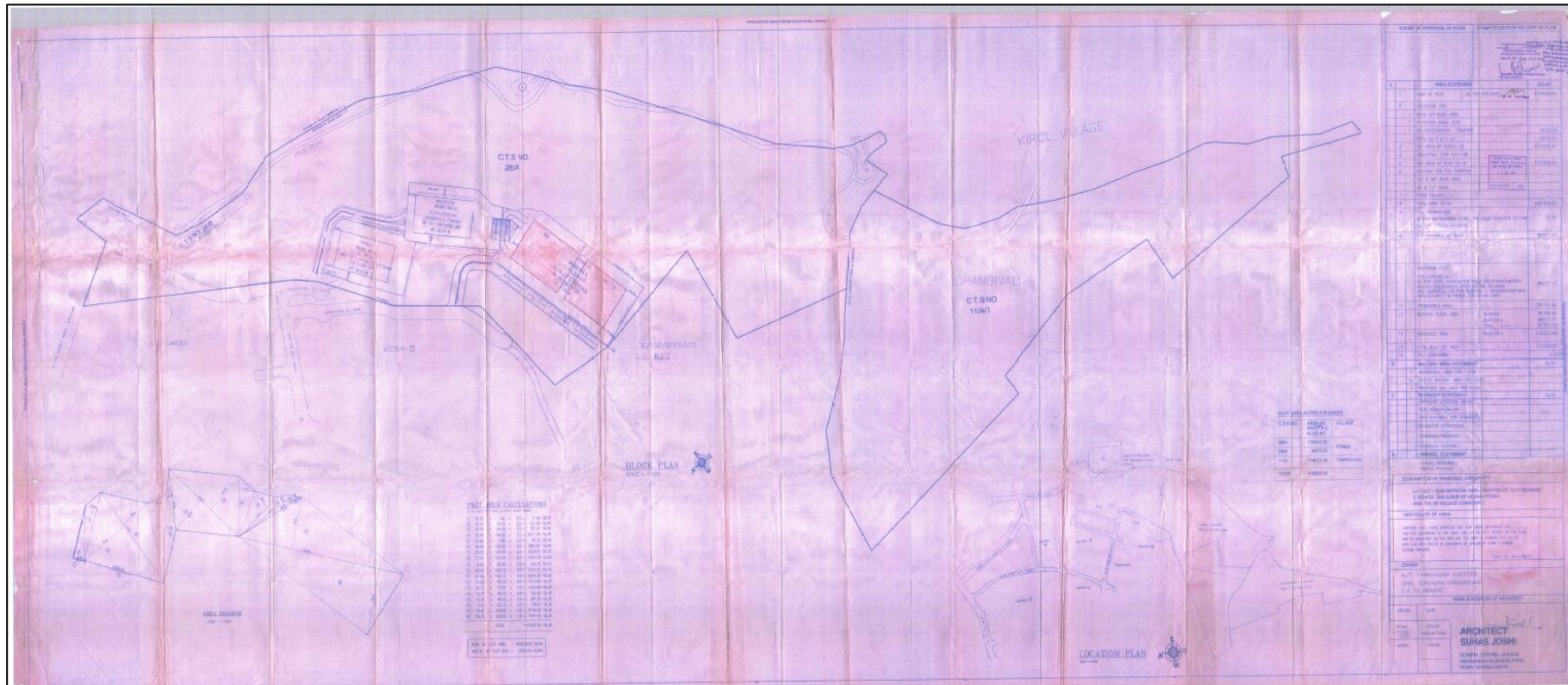
### Note:

By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated August 8, 2019 and has approved the application for rectification of the aforesaid order by way of its order dated November 14, 2019. The scheme has been made effective from May 4, 2020 with the approval of the BoA dated March 5, 2020 and ROC, Mumbai dated May 4, 2020





### Annexure 3: Property Layout



Source: Client Information

**Annexure 4: Property Photographs**





**Annexure 5: Statement of Key assets**

Building	No/Name	Kensington-A	Kensington-B
No of DG Capacity	KVA	1 X 500kVA	1 X 500kVA
No of Transformer/Capacity	KVA	NA	750kVA
Chiller Rating	TR	NA	NA
Cooling Tower		NA	NA
FF System (Pumps & Engine)	KW/HP	DD Pump – 2 X 72 HP Fire Pump Hydrant – 1 X 75 HP Fire Pump Sprinkler – 1 X 75 HP Jockey Pump Hydrant – 1 X 10 HP Jockey Pump Sprinkler – 1 X 10 HP Booster Pump – 1 X 7.5 HP	DD Pump – 1 X 133 HP Fire Pump Hydrant – 1 X 150 HP Fire Pump Sprinkler – 1 X 150 HP Jockey Pump Hydrant – 1 X 12.5 HP Jockey Pump Sprinkler – 1 X 12.5 HP Booster Pump – 1 X 7.5 HP
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic Pump High Zone- 3 X 15 HP Domestic Pump Low Zone – 3 X 7.5 HP Flushing Pump High Zone – 3 X 15 HP Flushing Pump Low Zone -3 X 7.5 HP	Domestic Pump High Zone- 4 X 10 HP Domestic Pump Low Zone – 4 X 5.5 HP Flushing Pump High Zone -2 X 15 HP Flushing Pump Low Zone -2 X 10 HP
STP Rating	KLD	NA	NA
No of Lifts	#	Passenger Lift – 14 Service Lift – 2 Parking Lift – 2	Passenger Lift – 14 Service Lift – 2 Parking Lift – 2
Warm Shell/ Bare Shell		Bare Shell	Bare Shell

Source: Client Information

**Annexure 6: List of sanctions and approvals**

List of one-time sanctions/approvals which are obtained or pending

**Approvals Received**

- a) Building Plan Approvals for all existing buildings and amendments thereof
- b) Full Occupancy Certificates received for all the existing/operational buildings
- c) Sewerage Approvals for all buildings and the common campus area
- d) Approved Zoning plan
- e) Approved Master Plan
- f) Consent to Establish (CTE)
- g) Environment Clearance Certificate
- h) One-time Fire NOC
- i) Height clearance NOC from AAI
- j) SEZ Notification by The Gazette of India
- k) Forest NOC
- l) Consent to Operate (CTO)
- m) Fire Form B
- n) Architect's Certificate

**Annexure 7: Ready Reckoner Rate and Land Rate**

Year: 2024-2025 Language: English

Selected District: MumbaiSubUrban

Select Village: Powai - Kurla

Search By: ☐ Survey no. ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/541C-Plot: Revenue of Navikas Division of Village Powai.	80600	233820	259580	285890	233820	Sq. meter
SurveyNo	114/541B-1 - Incomes exceeding 5 hectares.	100570	291830	306240	339040	275910	Sq. meter
SurveyNo	114/541C-1 - Income exceeding 5 hectares.	80600	238150	259580	285890	233820	Sq. meter

1 2

Survey no. 28/A

Year: 2024-2025 Language: English

Selected District: MumbaiSubUrban

Select Village: Powai - Kurla

Search By: ☐ Survey no. ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/541C-Plot: Revenue of Navikas Division of Village Powai.	80600	233820	259580	285890	233820	Sq. meter
SurveyNo	114/541B-1 - Incomes exceeding 5 hectares.	100570	291830	306240	339040	275910	Sq. meter
SurveyNo	114/541C-1 - Income exceeding 5 hectares.	80600	238150	259580	285890	233820	Sq. meter

1 2

Survey no. 26 , 28B , 22/6

## **Annexure 8: Caveats & Limitations**

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on independent market report prepared by Cushman and Wakefield and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the forecasts on demand, supply and pricing as undertaken by Cushman and Wakefield as part of an independent market/ industry research and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on the independent market report prepared by Cushman and Wakefield and his own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated, and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.



4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum not exceeding the total fees paid for each instruction accepted. Unless specifically mentioned otherwise in the main report. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



# **VALUATION REPORT [FINAL]**

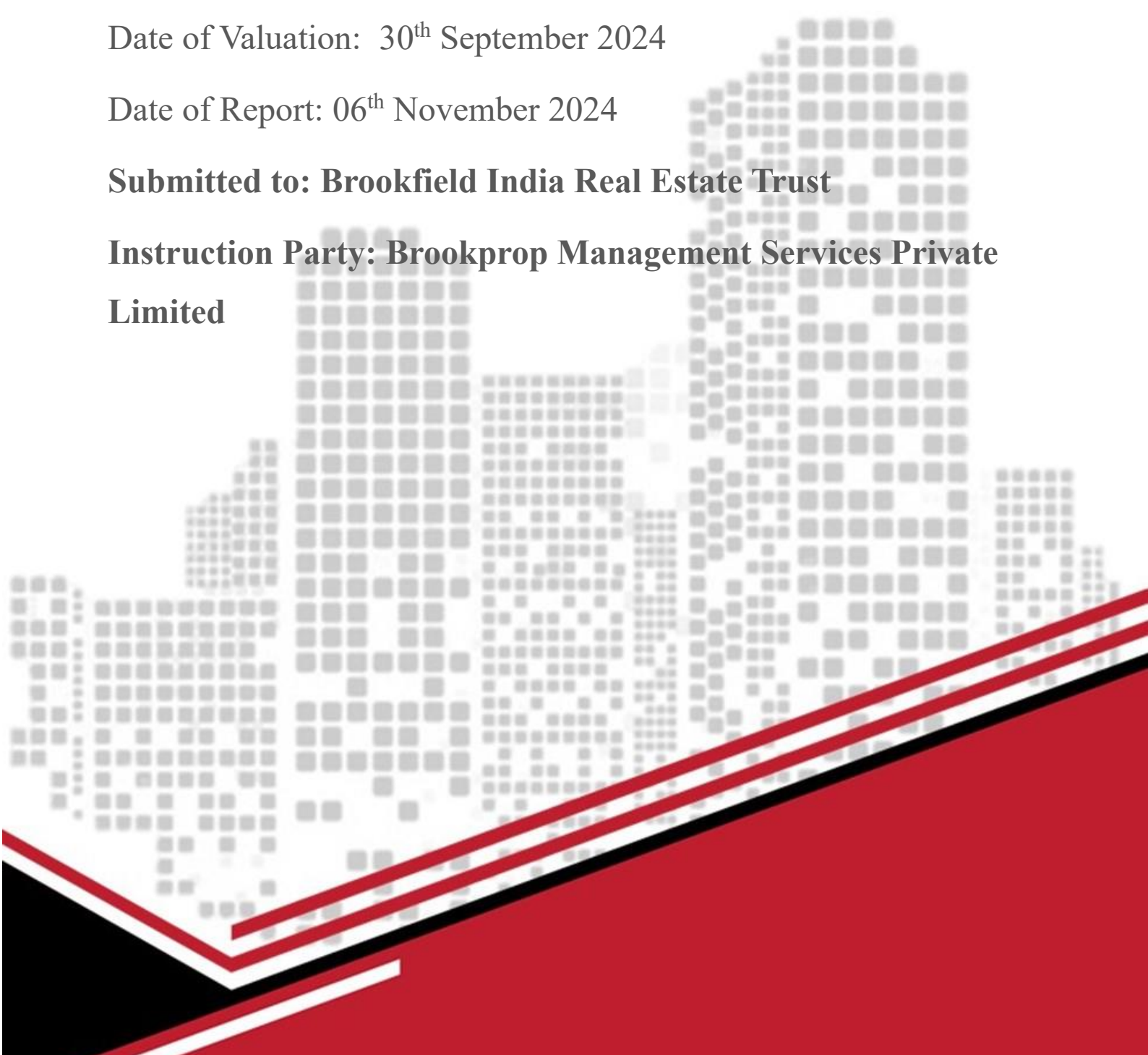
**Portfolio of assets owned by Kairos Properties Private Limited, Powai, Mumbai**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 06<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**

**Instruction Party: Brookprop Management Services Private Limited**





## **Disclaimer**

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 22nd September 2023 to Letter of Engagement ("LOE") dated 23rd December 2022 without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the as agreed upon in the Letter of Engagement ("LOE") dated 23rd December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any hThis report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*



## Executive Summary

Portfolio of properties owned by Kairos Properties Private Limited located in Powai		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	
<b>Site Visit Date:</b>	17 <sup>th</sup> April 2024	
<b>Valuation Methodology:</b>	10 Year Discounted Cash Flow	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India in accordance with the SEBI (REIT) Regulations, 2014	
<b>Location / Situation:</b>	<p>Portfolio of properties owned by Kairos Properties Private Limited (“KPPL”) are located in Hiranandani Gardens, Powai (herein after referred to as Subject Properties). The subject properties comprising of IT/ITeS, Commercial buildings and Retail Developments. The Andheri &amp; Powai micro-market is bounded by Powai Lake to its north, Andheri to its west, Ghatkopar and Vidya Vihar to its south and Vikhroli and Kanjurmarg to its east.</p> <p>This micro-market enjoys good road connectivity via Jogeshwari-Vikhroli Link Road (JVLR), Chandivali Road and Hiranandani Link Road. Prima Bay, Chromium, Godrej IT Park, Godrej One are some of the prominent office developments located in the Andheri &amp; Powai micro-market.</p>	
<b>Description:</b>	<p>The subject properties comprise of nine completed and operational buildings. The listing of buildings under each component are as follows:</p> <p>Completed buildings with Occupancy Certificates (OC) – Alpha, Delphi, Fairmont, Winchester, Prudential, Spectra, One Boulevard, Ventura A and CRISIL House.</p> <p>The operational buildings collectively admeasure 2,749,484 sq. ft. of leasable area with 88% committed occupancy* and are located on individual plots of land cumulatively measuring 19.95 Acres.</p>	 
<b>Total Area:</b>	<p>Cumulative underlying Land Area: 19.95 Acres</p> <p>Total Leasable Area**: 2,749,484 sq. ft.</p>	

Source: Architect's Certificate (Dated: 16<sup>th</sup> October 2024), Rent Roll as on 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed area.

\*\* Completed Leasable Area and Total Leasable Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq. Ft) and Towers (cumulatively admeasuring 23 Sq. Ft). Of this, the income from the leased areas of telecom tower is included in the “Other Income”.



**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which he has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject property, as on 30<sup>th</sup> September 2024, is as follows:

Building Name	Market Value (INR Million)
Alpha	2,981
CRISIL House	5,747
Delphi	10,123
Fairmont	7,104
Winchester	18,276
Prudential	6,947
Spectra	4,768
One Boulevard	3,798
Ventura A	15,334
<b>Total Market Value</b>	<b>75,078</b>

Component	Market Value as on	In Figures	In Words
Completed Buildings	30 September 2024	INR 75,078 Million	Indian Rupees Seventy-Five Billion Seventy-Eight Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report



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**From: L. Anuradha Vijay, MRICS  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)**

**To: Brookfield India Real Estate Trust**

**Property: Portfolio of Properties owned by Kairos Properties  
Private Limited, Powai, Mumbai**

**Report Date: 06<sup>th</sup> November 2024**

**Valuation Date: 30<sup>th</sup> September 2024**

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Mumbai (hereinafter referred to as “Subject Property” and/or “Kairos”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 8 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha Vijay is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor in Architecture in 2002 and Masters in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining Cushman, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the State Governments in India.



Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at CWI. As an Associate Director of the Valuation and Advisory team at CWI, Ms. L. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. L. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

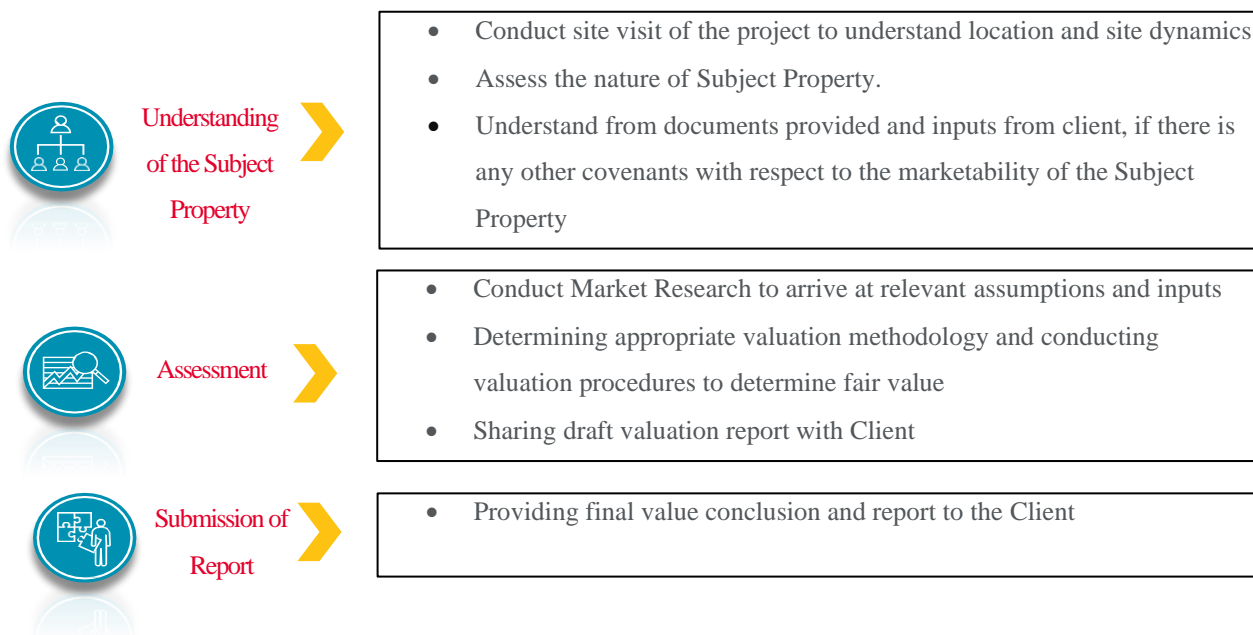
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

Market Value” is defined as ‘*The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*’

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same has been derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the subject property.

*For the purpose of the valuation of Subject Property, Income Approach – Discounted Cash Flow Method using Rental Reversion has been adopted.*

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 8 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.



## **8 Inspection**

The Property was inspected on 17<sup>th</sup> April 2024 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the subject property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under this Agreement, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by him due to such usage other than for the purpose as contemplated under this Agreement. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in his favor, reasonably satisfactory to him for any use of the Report other than for the purpose permitted under this Agreement. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## **12 Reliant Parties**

The reliance on the valuation reports prepared as part of this engagement to Brookprop Management Services Private Limited ("Manager"), the Brookfield India REIT ("Brookfield REIT") and auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), credit rating agencies and Axis Trustee Services Limited, the trustee to the Brookfield REIT (Trustee") for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers. The Valuer, however, would extend no liability to such reliant parties.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation ("Reliant Party") and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.





### **13 Limitation of Liability**

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

### **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

### **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under the LOE including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate the LOE without any liability or obligation on her part.



Such termination of the LOE shall not in any way prejudice the rights and obligations (including payment for the services delivered under the LOE) already accrued to the Valuer, prior to such termination.



## **B Mumbai Region Overview**

For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman & Wakefield India Private Limited (CWI), who has been appointed by the Client as an independent consultant to carry out industry and market report.

## 1 Mumbai Region Overview

Mumbai is India's financial and commercial capital. The presence of vibrant capital and money markets makes the city the first choice of entry for financial services firms. Mumbai houses the headquarters of major corporates & financial institutions such as ICICI Bank, HDFC Bank, Life Insurance Corporation of India, etc. India's main stock exchanges & capital market and commodity exchanges (National Stock Exchange – NSE, Bombay Stock Exchange – BSE and Multi Commodity Exchange – MCX) are also located in Mumbai. It is also home to Bollywood, the Indian Television and Film Industry.

The map below highlights the key office micro markets of MMR region illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in MMR.



Source: C&WI Research

(Map not to scale)



The key drivers of demand for office space in Mumbai Region are as follows:

- **Financial capital and Services hub:** Mumbai, which is referred as India's financial capital, houses corporate head offices of many Indian banks such as ICICI Bank, HDFC Bank, etc. and stock exchanges such as, NSE, BSE etc. It is also home to global consultancy firms, legal and professional services, media houses, accounting professionals, etc. like Boston Consulting Group, HDFC Bank, EY, Johnson & Johnson, Warburg Pincus, Hindustan Unilever, Nestle, McKinsey & Company, Procter & Gamble, BNP Paribas.
- **Global In-house Centres/ Global Capability Centres:** Mumbai is a hub for Global In-house Centres (GICs) / Capability Centres (GCCs) of many Investment Banks mainly from the North American and European markets such as Deutsche Bank, Bank of America, JP Morgan, etc.
- **Social Infrastructure:** Mumbai has established educational institutions and colleges (IIT-Bombay, NMIMS, SP Jain, NIFT etc.), Malls (Phoenix Palladium, High Street Phoenix, R City, Oberoi Mall, Inorbit Mall, etc.), Hospitals (Lilavati, Hiranandani, Fortis, Tata Memorial Hospital, Jaslok Hospital, etc.) and hotels (St. Regis, Renaissance, JW Marriott, Hilton, Four Seasons, ITC Maratha, Leela etc.).
- **Transport infrastructure:** Mumbai is well connected via road with availability of infrastructure like the Eastern Express Highway, Western Express Highway, Eastern Free Way, Bandra-Worli Sea Link, etc. It also provides good railway connectivity with three railway lines, an operational metro line across 390 km carrying 8 million passengers daily and a monorail line. Mumbai is also well connected via air with other cities in India and other global cities with the help of 2 operational passenger terminals (Domestic and International) and one cargo terminal at Chhatrapati Shivaji Maharaj International Airport. Mumbai is the gateway city of India with 2<sup>nd</sup> busiest airport (Chhatrapati Shivaji Maharaj International Airport having 45.87 million passengers in FY20 connecting to 61 domestic and 48 international destinations). Mumbai Region also has the largest container port of India (Jawaharlal Nehru Port Trust with 68.45 million tons of cargo in FY20).
- **Ongoing/Planned infrastructure projects:** Key initiatives include USD 12 billion of proposed investment from 2019-24 for the Navi Mumbai International Airport (expected to be completed by end of Q1 2025 with a capacity of 60 million passengers per annum), various road projects (including the 29.80 km Mumbai Coastal Road Project (MCRP) is an under-construction access-controlled expressway with a route connecting Princess Street Flyover in South Bombay with Kandivali in the northern suburbs. The phase 1 from Marine Drive to Worli is operational from 11th March 2024. The Phase 2 from Worli to Kandivali is proposed. The 8-lane freeway, with 2-lanes reserved for BRTS corridor, will have 22 entries and exits, two earthquake resistant undersea tunnels of 3.4 km each at Girgaum Chowpaty and Malabar Hill, and 13 cross tunnels to be used for emergency).



The table below highlight the key statistics of Mumbai's office micro markets

Particulars	Mumbai - Overall	CBD	**Andheri and Powai	Thane Belapur Rd	Malad – Goregaon	Worli – Lower Parel	BKC & Annexe	Thane	Central Suburbs	Eastern Suburbs	Vashi & Others	Competitive REIT Micro-Markets^
<b>Total completed stock 9M 2024 (msf)</b>	111.4	2.1	22.6	17.6	16.8	15.1	10.8	10.5	6.2	6.1	3.9	19.8
<b>Current occupied stock 9M 2024 (msf)</b>	94.0	2.0	19.4	14.8	15.0	10.5	9.9	9.6	4.5	5.7	2.8	18.2
<b>Current Vacancy 9M 2024 (%)</b>	15.6%	5.7%	14.0%	15.9%	10.6%	30.5%	8.0%	9.0%	27.6%	6.3%	26.7%	8.2%
<b>Future Supply –Q4 2024 E – 2026 E (msf)</b>	15.2	0.0	3.2	1.8	0.0	1.1	1.4	2.4	0.0	3.2	0.5	5.3
<b>Market Rent – 9M 2024 (INR psf / month)</b>	144.3	235.3	139.1	66.6	133.9	206.0	288.6	74.0	136.4	140.5	91.9	169.1*

Source: Cushman & Wakefield Research

Notes: The rentals are in INR psf / month on leasable area, the rentals are basis the prevailing quotes in the micro market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

\* Average incorporating the quoted rentals for high street retail.

\*\*Subject Property Micro-Market

^ A Competitive REIT micro-market consists of comparable set of buildings (peer set to properties in Powai submarket) to Powai submarket in micro markets of Andheri & Powai, Malad & Goregaon and Eastern Suburbs. The peer set considered is based on parameters such as size of the parks, floor plates, tenant profile, proximity to catchment area, infrastructure and certain additional criteria.

## 2 Brookfield India REIT's City Market – Mumbai

Portfolio of properties owned by Kairos Properties Private Limited (“KPPL or Kairos”) which are valued for the proposed acquisition under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange, has the following assets in Mumbai.

Building Name	Location	Building Type	Leasable Area (sq. ft.)
Alpha	Powai	Commercial	1,09,463
CRISIL House	Powai	IT	2,11,611
Delphi	Powai	Retail/Commercial	3,53,272
Fairmont	Powai	IT	2,84,459
Winchester	Powai	IT	7,55,199
Prudential	Powai	Retail/IT	2,36,567
Spectra	Powai	Retail/IT	1,94,635
One Boulevard	Powai	Retail/Commercial	1,06,133
Ventura A	Powai	Retail/IT	4,98,145
<b>Total</b>			<b>2,749,484</b>

*Note:*

*1. Leasable Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq Ft) and Towers (cumulatively admeasuring 23 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the “Other Income”.*

The subject properties are well positioned in the micro-market due to their proximity to well-developed social infrastructure and the upcoming metro stations (Metro Line 6 (Swami Samarth Nagar – Kanjurmarg)) (IIT - ~2 – 3 km from the Subject Properties) which is a key differentiating factor, given an increasing focus by corporate occupiers on the ease of commute for their employees. The office park is situated within Hiranandani Gardens, Powai, a modern township comprising residential towers, office complexes, hospitals, schools and high street retail. This ‘live-work-play’ ecosystem has grown to become a key differentiating factor for the office park, driven by an increasing focus by corporate occupiers on lifestyle solutions for their employees.

The subject properties are located in Andheri and Powai micro market, which is one of the established commercial precincts in Mumbai with well-planned infrastructure and proximity to residential areas. Demand for office space in this micro-market has significantly increased over the last few years due to larger properties, improving infrastructure, availability of quality residences and excellent connectivity to other parts of Mumbai. The subject properties will further benefit through improved intra-city transportation links resulting from the ongoing metro construction in both east-west and north-south corridors.

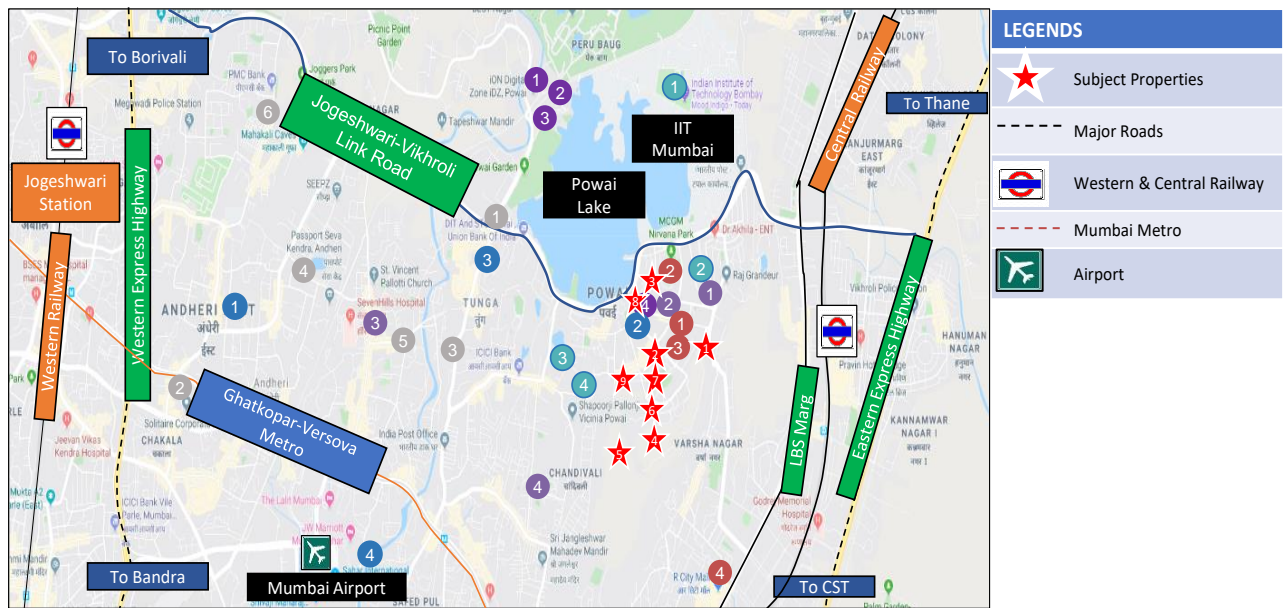


### 3 Competitive REIT Micro Market

#### 3.1 Overview

Subject Property are Grade A assets with a developed office ecosystem with High Street Retail catering to multinational tenants and having bigger floor plates. Keeping in mind parameters such as proximity, tenant profile, grade of asset and certain additional criteria the peer set (properties comparable to the Powai Submarket) of the Powai Submarket is also present in two other micro markets viz. Malad Goregaon and Eastern Suburbs. Hence, the comparable set of office buildings (including IT / IT SEZ and Non-IT buildings) in Andheri & Powai, Malad Goregaon and Eastern suburbs micro markets are together referred as the competitive REIT micro market. The buildings in these micro markets are selected keeping in mind parameters such as size of the parks, floor plates, tenant profile, proximity to catchment area, infrastructure and certain additional criteria.

#### 3.2 Social and Physical Infrastructure



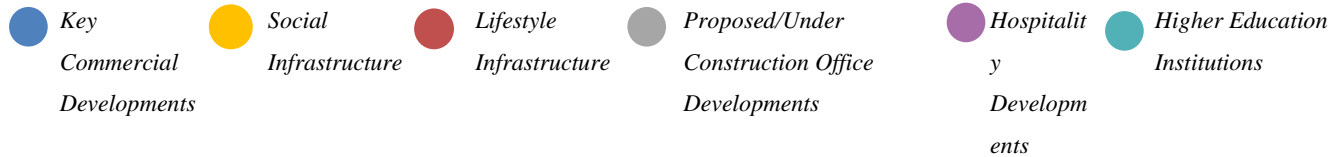
Source: Cushman & Wakefield Research

(Map not to scale)

Key to Map

Sr. No.	Building Name
1	Alpha
2	CRISIL House
3	Delphi
4	Fairmont
5	Winchester
6	Prudential
7	Spectra
8	One Boulevard
9	Ventura A





Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Kanakia Wall street (8.1 km)	1. Hiranandani Hospital (6.4 km)	1. Galleria (0.5 km)	1. Signis (3.7 km)	1. Ramada Plaza (3.9 km)	1. IIT Powai (1.6 km)
2. Supreme Business Park (0.7 km)	2. Hiranandani School (0.5 km)	2. Binge Central (0.8 km)	2. Runwal R-Square (13.0 km)	2. Renaissance Hotel (3.8 km)	2. IBS Business School (1.2 km)
3. Prima Bay (3.1 km)	3. Seven hills Hospital (5.5 km)	3. Haiko (0.6 km)	3. Lighthall Annexe (3.9 km)	3. Lakeside Chalet (3.4 km)	3. Chandrabhan Sharma College (1.0 km)
4. The ORB (5.0 km)	4. Nahar International School (2.5 km)	4. R-City Mall (3.3 km)	4. 2 <sup>nd</sup> Avenue (5.7 km)	4. Meluha- The Fern (0.7 km)	4. S.M. Shetty College (0.5 km)
			5. NDW Altima (4.0 km)		
			6. Nexus 10 (4.9 km)		

The subject micro market is connected to Jogeshwari-Vikhroli Link Road (JVLR) which further connects the Western & Eastern Express Highway on either side. It is also easily accessible from LBS Road via Vikhroli. Kanjurmarg Railway Station is the nearest railway station from the Subject Property.

Metro Line-6, in between Swami Samarth Nagar to Vikhroli (EEH) has been proposed to provide further inputs in the infrastructure of Greater Mumbai. Proposed Metro line is 15.31 Km in length & running from Swami Samarth Nagar to Vikhroli (EEH) passing through Jogeshwari, WEH, Powai. This line is fully elevated and it connects Western Express & Eastern Express Highways. It gives interchange facilities at Aadarsh Nagar of Line-2A, JVLR station of Line-7, Aaray Depot station of Line-3 and Gandhi Nagar of Line-4 at different locations. It has 13 stations and most of the alignment is passing on the median of Jogeshwari-Vikhroli link road. It will cut travel time between Andheri and Eastern Express Highway by 30-45 minutes.

Metro Line 3 is an underground metro project which will connect Colaba and Seepz. Of which Phase I (Aarey to BKC) has been operational since October 2024 and Phase II (BKC to Colaba) is currently under construction and it is projected to be operational by May 2025. Whereas Metro Lines 2A (Dahisar to D.N Nagar) & 7 (Andheri East to Dahisar East) are operational.

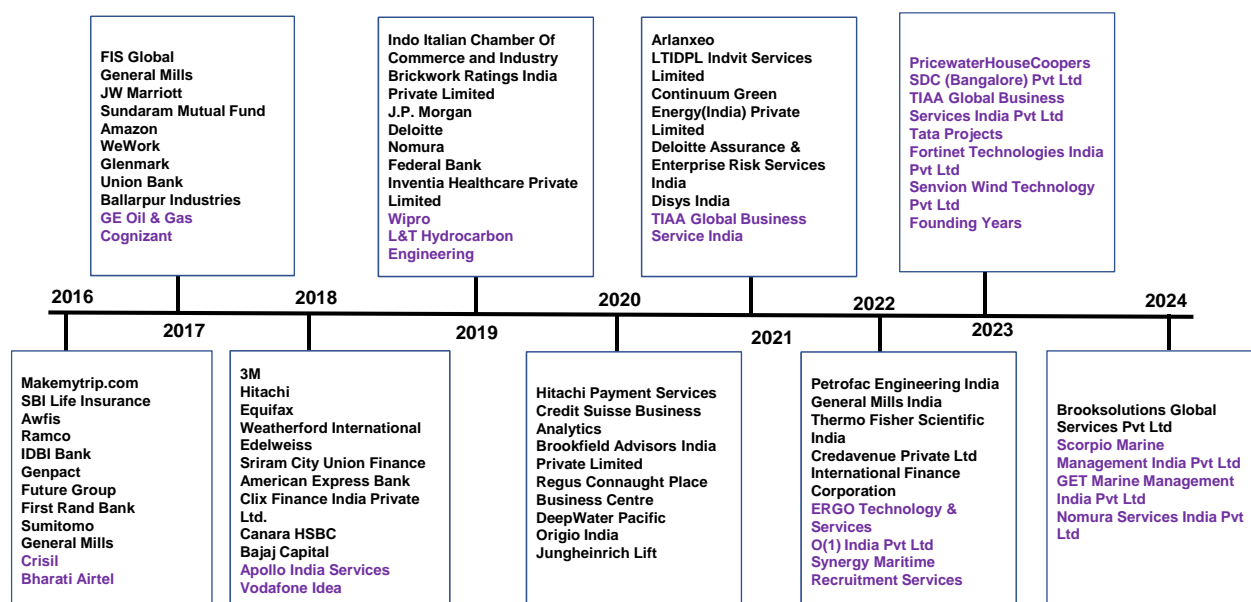


The Subject Properties are well connected to major locations in the city via road network. The distance of the Subject Properties from major landmarks in the city is as follows:

- Approximately 10.9 km from Western Express Highway
- Approximately 9.2 km from Eastern Express Highway
- Approximately 3.4 kms from LBS Marg
- Approximately 1.6 kms from IIT Powai
- Approximately 3.2 kms from Kanjurmarg Railway Station
- Approximately 6.2 km from Chhatrapati Shivaji International Airport
- Approximately 9.4 kms from Domestic Airport



Few of the prominent tenants who have presence in the subject micro market are:



Source: Cushman & Wakefield

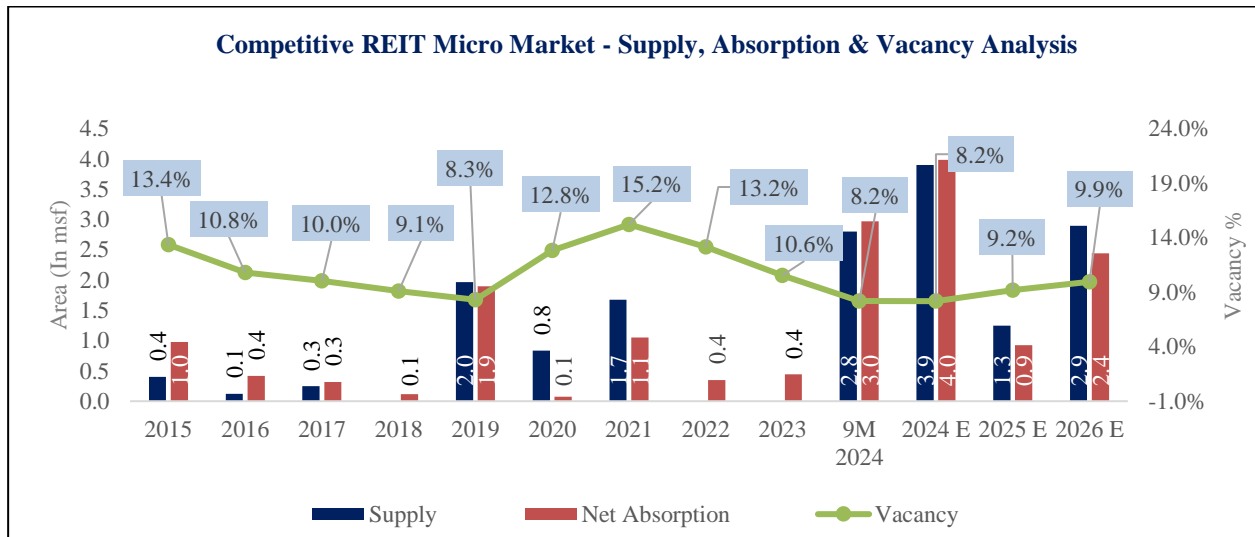
Note: The occupiers highlighted with different color are occupying space in subject properties.

The Subject Properties are located in Andheri & Powai micro market. This micro market in close proximity to talent pool catchment area and also has good accessibility and connectivity with the major hubs and transport modes. Further Kairos assets are Grade A assets with developed office ecosystem and caters to multinational tenants.

The average quoted monthly Grade A rentals for office space in subject micro market ranges from INR 140-185 psf / month for commercial and INR 120-170 psf / month for IT/ITES/IT SEZ. and the typical lease tenure is 5 years with first 3 years as lock – in period.

### 3.3 Supply, Absorption & Vacancy – Competitive REIT Micro Market

The supply, absorption vacancy trend analysis for Competitive REIT Micro Market are as follows:



Source: Cushman & Wakefield Research

Notes:

1. Only Grade A office spaces have been considered
2. Only Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trends
3. The Net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.

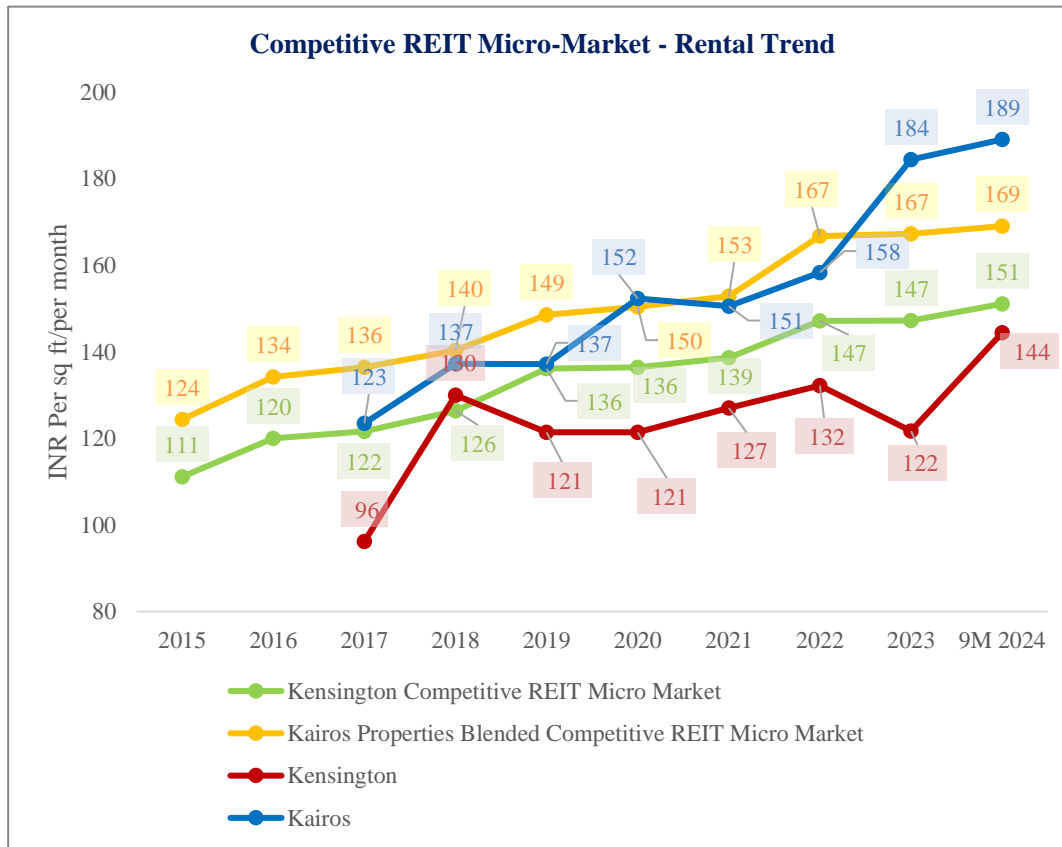
As of 9M 2024, approximately 19.8 million sq. ft. of Grade A stock is present in the Competitive REIT Micro Market of which ~65.0% (12.90 million sq. ft.) is IT/IT SEZ stock. Absorption in Competitive REIT Micro Market led by BFSI and Technology tenants consistently outpaced the total supply leading to declining vacancy levels from 13.4% in 2015 to 8.3% in 2019. However, due to the outbreak of COVID-19, net absorption in the Competitive REIT micro-market (apart from the 1.1 msf of pre-commitment at Nirlon Knowledge Park being translated into absorption) remained broadly muted during 2020-2021, vacancy levels increased to ~15.2% by 2021. Post 2021, the Competitive REIT micro-market has witnessed strong traction leading the vacancy level to drop to 8.2% in 9M 2024 from 15.2% in 2021.

Demand for office space in this micro-market over the years have been driven by presence of larger properties, improving infrastructure, availability of quality residences and excellent connectivity to other parts of Mumbai. The micro-market also attracts demand from large GCCs and professional services organizations, such as KPMG, JP Morgan, Deutsche bank, Morgan Stanley, Deloitte etc. both in technology and financial services sector for their expansion and consolidation.

Given low vacancy levels in the competitive REIT micro-market and continued strong demand for good quality buildings with strong landlord profile, we expect good traction in these markets however, we expect a marginal increase in Vacancy to ~9.9% by 2026 E.

### 3.4 Rental Trend Analysis

The rental trend analysis for Competitive REIT Micro Market and the Subject Property is as follows.



Source: Cushman & Wakefield Research

**Notes:**

1. The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. Rentals for Kensington Properties have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include fresh leases and renewals from existing tenants, adjusted to asset level efficiency.
3. Rentals presented above are weighted average values on completed stock.

Considering the parameters such as proximity, tenant profile, grade of asset and certain other criteria, for Subject Property, we have compared the Rentals for Subject Property with the Vrihis Properties Blended Competitive REIT micro-market (The rentals are blend of IT / IT SEZ, Non-IT and High Street Retail Rentals), which includes select buildings comparable to Subject Property.

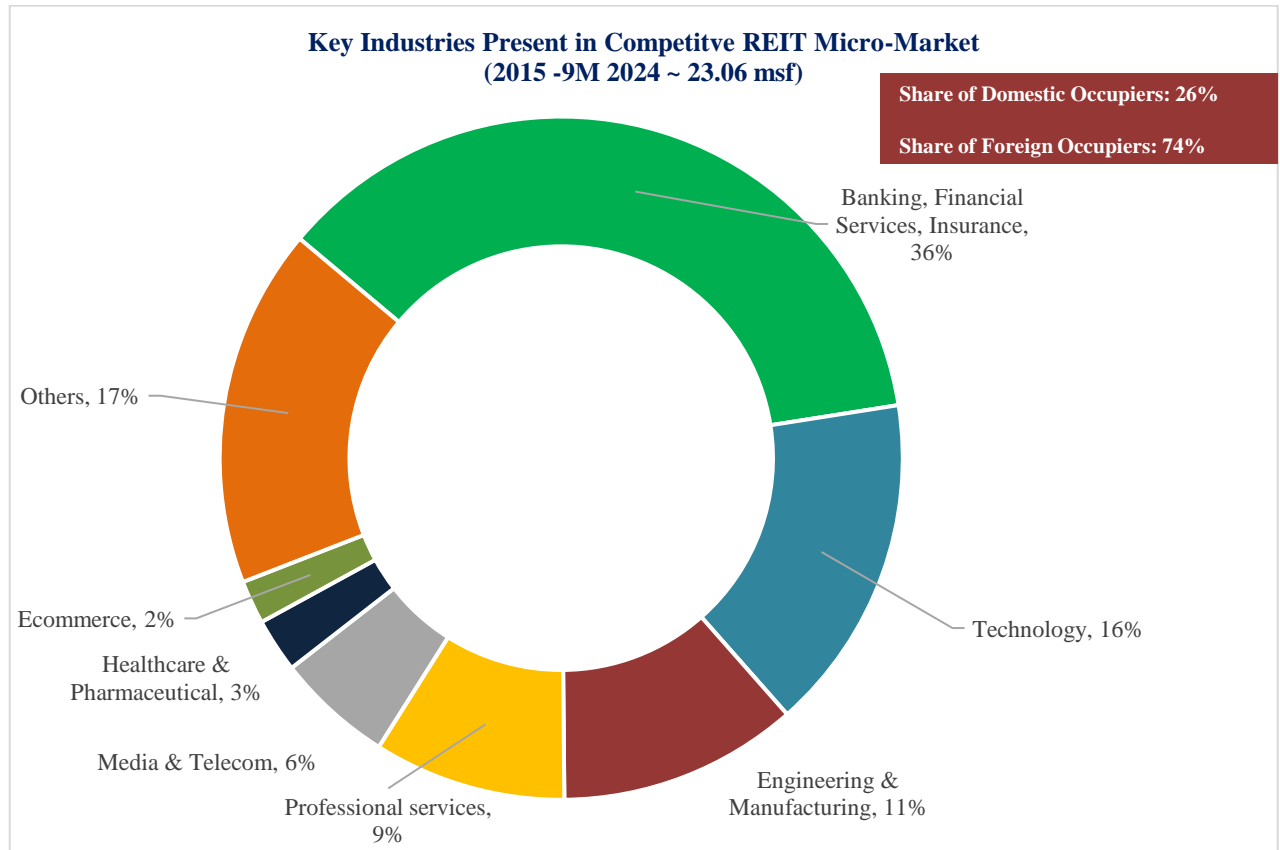
Due to increasing traction in Kairos Properties Blended Competitive micro market, the rentals in Kairos Properties Blended Competitive REIT micro market have witnessed an increasing trend since 2015, growing at a CAGR of 4.5% during 2015-2019. Despite the impacts from COVID-19 related pandemic, the quoted rentals in the micro-market have displayed significant resilience, rentals grew at a CAGR of 2.8% over 2019-9M 2024. The current quoted office market rentals varies in range of INR 130-180 psf / month for commercial, INR 120-170 psf / month for IT/ITES/IT SEZ and INR 200 to 450 for high street retail.



The subject properties are spread across three clusters within the Powai submarket, namely Central Avenue, South Avenue and Orchard Avenue. Characteristically,

- South Avenue comprises of IT/IT SEZ buildings which includes Fairmont and Winchester (which are IT buildings). Current quoted office market rental for the select properties within the competitive REIT micro-market, which are comparable to the subject properties in this cluster, is INR ~155 per sq. ft.
- Central Avenue comprises of a mix of IT and Non-IT buildings with some having high-street retail units which includes buildings like Ventura, Prudential, Alpha etc. Current quoted rental for the select properties within the blended competitive REIT micro-market, which are comparable to the subject properties in this cluster, varies in the range of INR 155-170 per sq ft for IT / ITeS, INR 170-185 per sq. ft for commercial and INR 225-450 per sq. ft. for high street retail (depending on the location and building the rentals will fall in the ranges mentioned above)
- Orchard Avenue comprises of a mix of commercial buildings with high-street retail units which includes Delphi and One Boulevard. Current quoted rental for the select properties within the blended competitive REIT micro-market, which are comparable to the subject properties in this cluster, varies in the range of INR 170 - 185 per sq. ft for commercial and INR 200 - 450 per sq. ft. for high street retail.

### 3.5 Sector Demand Analysis – competitive REIT Micro Market (2015 – 9M 2024)



Source: Cushman & Wakefield Research

**Notes:**

*Others include tenants involved in hospitality, logistics & shipping, FMCG, retail, real estate & related services, etc. The sectoral absorption analysis is based on gross absorption activity of micro market including any relocations, consolidations etc*

This competitive REIT micro market consists of quality grade-A buildings which are easily accessible due to presence of strong physical infrastructure. The micro-market has strong social infrastructure and has large concentration of BFSI tenants. This is primarily due to availability of premium grade A developments, enhanced connectivity due to presence of strong existing and upcoming physical infrastructure, proximity to talent pool catchment areas, presence of strong social infrastructure within the micro-market etc. Occupiers from BFSI sector such as Deutsche Bank, IDFC First Bank, TIAA Global, Nomura, JP Morgan etc. contributed to 36% of leasing activity in Competitive REIT micro market. Technology sector which contributed 16% to the leasing activity is the second most dominant sector in this micro market with occupiers such as Tata Consultancy Services (TCS), Accenture, Wipro, Here Solutions etc. Engineering & Manufacturing and Professional services also contributed ~11% and ~9% to the leasing activity respectively. The mix of foreign vs. domestic occupants in Competitive REIT Micro Market is 74:26.





#### **4 Market Outlook**

According to the market assessment report of Cushman & Wakefield current average market rentals of comparable properties in the Andheri & Powai and competitive REIT micro-market are in the range of INR 120-170 per sq. ft./m for IT/ItS/IT SEZ properties, INR 130-180 psf / month for commercial and INR 200 to 450 for high street retail which is broadly in line with the recent leases signed in the Subject Property. Further over 2015-2019, during the pre-COVID period, the rentals in Subject Property's competitive REIT micro market grew at a CAGR of ~4.5% and have displayed significant resilience during the COVID period, growing at a CAGR of ~2.8% over 2019- 9M 2024.

While Global economic growth has been witnessing major headwinds across varied sectors, Indian markets have displayed significant resilience to the global impacts. Over the recent years, several companies have made significant additions to their workforce, while not being aggressive on expansion of the office spaces (Some of the major companies include Google, Microsoft, Apple, Meta, TCS, Infosys, Wipro, HCL Tech and others). While several layoffs have been announced by some of these corporates at a global level, impact on their Indian operations is not as severe. Attrition rates for Indian IT majors have started witnessing some improvements.

Several organizations have been contemplating strategies with respect to the hybrid work models – flexible arrangement, allowing employees to combine onsite and offsite work as required. These organizations have started implementing return to office strategies for their employees to work from office for atleast 2-3 days in a week.

While there have been delays in decision making, driven by global headwinds, we expect the demand for offices spaces to remain strong, majorly driven by IT-BPM sector and GCCs. We expect strong tailwinds to the demand for office spaces, majorly driven by IT-BPM sector and GCCs.





## **C      SUBJECT PROPERTY REPORT**



## **1 Address, ownership and title details of Subject Property**

Address:	Portfolio of properties owned by Kairos Properties Private Limited, Powai, Mumbai, Maharashtra 400076
Ownership & title details:	Land tenure: Freehold; the land and buildings thereupon are owned and controlled by the Brookfield India REIT

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Report prepared by DSK Legal (hereinafter referred to as 'Legal Counsel'). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Report prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Report shared, there are no material litigation including tax disputes relating to the Subject Property or any compounding charges affecting the valuation of the Subject Property.

## 2 Location

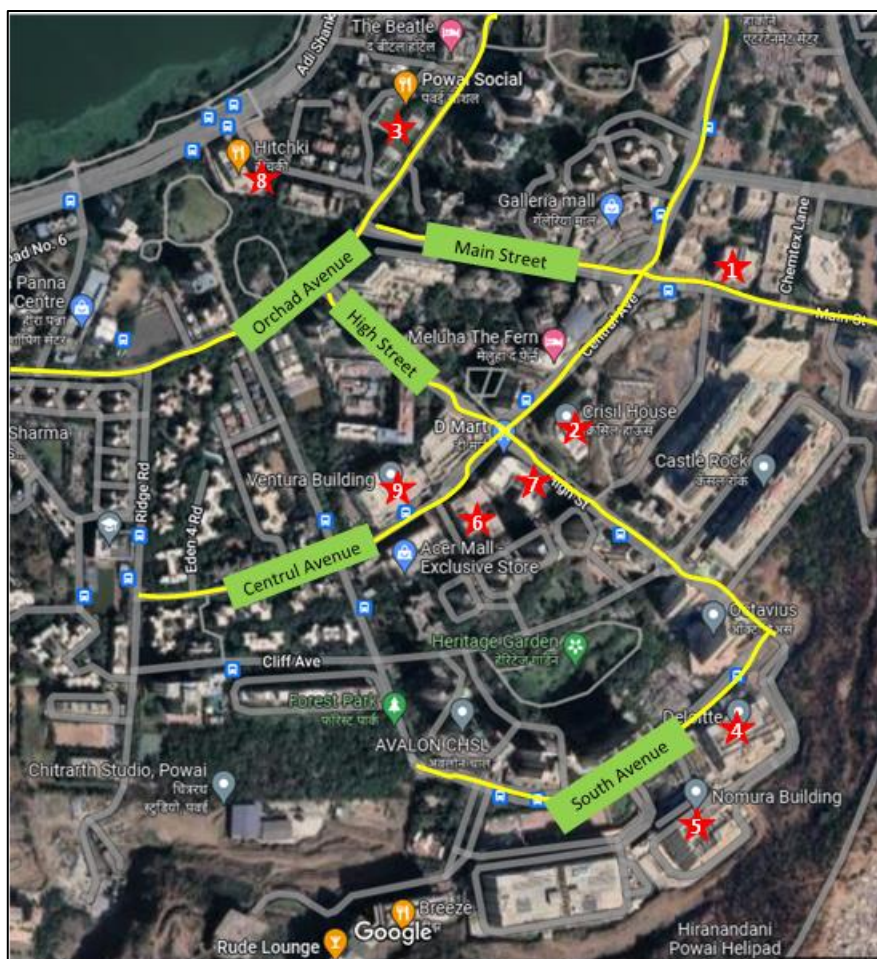
### 2.1 General

The Subject Property is located at Andheri & Powai micro-market, which is bounded by Powai Lake to its north, Andheri to its west, Ghatkopar and Vidya Vihar to its south and Vikhroli and Kanjurmarg to its east. The micro-market enjoys good road connectivity via Jogeshwari-Vikhroli Link Road (JVLR), Chandivali Road and Hiranandani Link Road. Kensington is surrounded by residential projects developed by Hiranandani Group. Some of the prominent office developments in the vicinity are Supreme Business Park, Scorpio House, L&T Business Park, Delphi, Godrej IT Park, Solitaire Corporate Park, Kanakia Wall Street, Times Square, Raiaskaran Tech Park etc. It also houses prominent tenants such as Tata Consultancy Services, Wipro, Cognizant, etc.

Subject properties are within close proximity to some of the renowned hotels like Meluha, The Fern and The Beattle and is also well connected to major locations in city via multiple modes of communication:



(Map not to scale)



*Key to the map*

Sr. No.	Building Name	Total Leasable Area Sq.ft.	KPPL Leasable Area Sq.ft.	Strata Owned Leasable Area Sq.ft.
1	Alpha	1,43,248	1,09,463	33,785
2	CRISIL House	2,11,611	2,11,611	-
3	Delphi	4,42,712	3,53,272	89,440
4	Fairmont	2,84,459	2,84,459	-
5	Winchester	7,55,199	7,55,199	-
6	Prudential	2,36,567	2,36,567	-
7	Spectra	2,17,290	1,94,635	22,655
8	One Boulevard	1,06,133	1,06,133	-
9	Ventura A	498,145	498,145	-

*Note: Leasable Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq Ft) and Towers (cumulatively admeasuring 23 Sq Ft). Of this, the income from the leased areas are included in the “Other Income”.*





The above table specifies the total leasable area of each subject property and the leasable area owned by Kairos as well as the strata owned leasable area.

1. Alpha: Total leasable area of Alpha building is 143,248 sq.ft. out of which KPPL owns 109,463 sq.ft. leasable area and the rest of the leasable area i.e., 33,785 sq.ft. is strata owned by third parties. The premier National Law University i.e., Maharashtra National Law University Mumbai is neighbouring building to Alpha which is accessible via Main Street
2. CRISIL House: Total leasable area of CRISIL House building is 211,611 sq.ft., which is wholly owned by KPPL. Meluha The Fern Hotel is right opposite to Crisil House, which is accessible via Central Avenue.
3. Delphi: Delphi Building is sub-divided into 3 wings i.e. A, B & C. The total leasable area of building is 442,712 sq.ft. out of which KPPL owns 353,272 sq.ft. leasable area which are further used for leasing activity and the rest of the leasable area i.e., 89,440 is strata owned by third parties. The Beatle Hotel is neighbouring building to Delphi which is accessible via Orchard Avenue.
4. Fairmont: Total leasable area of Fairmont building is 284,459 sq.ft., which is wholly owned by KPPL. The luxurious residential development i.e., Castle Rock is accessible via South Avenue.
5. Winchester: Total leasable area of Winchester building is 755,199 sq.ft., which is wholly owned by KPPL. The residential development i.e., Hiranandani Torino is accessible via South Avenue.
6. Prudential: Total leasable area of Prudential building is 236,567 sq.ft., which is wholly owned by KPPL. The retail supermarket i.e., Haiko Supermarket is accessible via Central Avenue.
7. Spectra: Total leasable area of Spectra building is 217,290 sq.ft. out of which KPPL owns 194,635 sq.ft. leasable area which are further used for leasing activity and the rest of the leasable area i.e., 22,655 is strata owned by third parties. Hiranandani Foundation School is accessible via High Street.
8. One Boulevard: Total leasable area of One Boulevard building is 106,133 sq.ft., which is wholly owned by KPPL. Heera Panna Shopping Centre is accessible via Orchard Avenue.
9. Ventura A: Ventura A is a part of larger established building named Ventura, which is further bifurcated into 2 wings i.e., Wing A & Wing B. The total leasable area of Ventura A has a leasable area of 498,145 sq.ft.. KPPL owns complete leasable area of Ventura A. The retail store i.e. D-mart is accessible via Central Avenue.

## **2.2 Accessibility**

The Subject Property is well connected to major locations in city via multiple modes of communication. The distance of Kairos Properties from major landmarks in Mumbai Metropolitan Region (MMR) is as follows:

- Approximately 3.4 km from LBS Marg
- Approximately 1.6 km from IIT Powai
- Approximately 3.2 km from Kanjurmarg Railway Station
- Approximately 9.2 km from Eastern Express Highway
- Approximately 6.2 km from Chhatrapati Shivaji International Terminal
- Approximately 17.2 km from Western Express Highway
- Approximately 13.1 km from Mumbai Domestic Terminal
- Approximately 10.1 km from Bandra Kurla Complex

## **2.3 Ground Conditions**

Based on visual inspection, there were no evidence of adverse ground conditions at the Subject Property or its immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the property with respect to risks pertaining to earthquakes, high winds/cyclone and flooding was studied. Mumbai where the Subject Property is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too.

No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster. The Subject Property is located on a higher elevation compared to its immediate surroundings, indicating low risk of flooding and does not face any significant problems of flooding or waterlogging.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the property and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### 3 Subject Property – Asset Description

The Subject Properties constitutes of 9 buildings. The listing of buildings is as follows: **Completed buildings with Occupancy Certificate (OC)** – Alpha, CRISIL House, Delphi, Fairmont, Winchester, Prudential, Spectra, One Boulevard & Ventura A.

The building wise break up for the Subject Property is mentioned in the table below:

Buildings	Leasable Area (sq. ft.)	Status	Expected Completion Date	Leasing Periods (Quarters)
Alpha	1,09,463	Completed	NA	3
CRISIL House	2,11,611	Completed	NA	-
Delphi	3,53,272	Completed	NA	1
Fairmont	2,84,459	Completed	NA	-
Winchester	7,55,199	Completed	NA	3
Prudential	2,36,567	Completed	NA	1
Spectra	1,94,635	Completed	NA	5
One Boulevard	1,06,133	Completed	NA	1
Ventura A	4,98,145	Completed	NA	-
<b>Total</b>	<b>2,749,484</b>			

Source: Architect's Certificate (dated: 16<sup>th</sup> October 2024), Rent Roll as at 30 September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received

Particulars	Details
<b>Entity:</b>	Kairos Properties Private Limited
<b>Interest owned by REIT (%):</b>	All Subject Properties are wholly owned by Kairos Properties Private Limited, of which 50% stake is acquired by the Brookfield India REIT
<b>Asset Type:</b>	IT/ITeS / Commercial
<b>Sub-Market:</b>	Andheri & Powai
<b>Approved and Existing Usage:</b>	IT/IteS/ Commercial
<b>Land Area (acres):</b>	~19.95 Acres
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area: **</b>	2,749,484 sq. ft.
<b>Occupied Area: **</b>	2,425,278 sq. ft.
<b>Committed Occupancy (%) *</b>	88.21%
<b>Current Effective Rent (excluding parking)</b>	INR 177 per sq. ft. per month (Including Office, Retail & Tower)
<b>Number of Tenants</b>	99 (Including Office & Retail) & 23 Towers

Source: Architect's Certificate (Dated: 16<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

Note:

Refer company structure set out in Annexure 2

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area

\*\*Leasable Area and Occupied Area for the subject properties include areas designated / occupied for ATM purpose (cumulatively admeasuring 75 Sq Ft) and Towers (cumulatively admeasuring 23 Sq Ft). Of this, the income from the leased areas are included in the "Other Income".

### 3.2 Investigation and nature and source of information

The Subject Properties comprising of nine operational buildings. It was physically inspected on 17 April 2024. The inspection comprised visual inspection of operational buildings comprising all the properties and visits to key utility areas like LT Electric Room, Pump Room, Power Back up and STP. The common areas of all the buildings were visited.

In total, Subject Properties offer 2,430 parking space at the basement & ground levels. Inspection at vacant spaces was also done for the building Alpha, Delphi, Prudential, Spectra, Ventura A & Winchester, One Boulevard to understand the internal structure of the building. For Fairmont building, a separate entrance lobby is dedicated for the tenant Deloitte because they occupy 80% of the total leasable area offered by the building. Subject Properties offer tenants to occupy the space on a bareshell basis. Thus, all the key utilities areas like HVAC, power back up etc are installed by tenants themselves.



The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance. The utility areas also appeared well maintained, visually. No instances of any major logging or water accumulation were observed during the inspections. The property inspections did not comprise any structural survey, technical/engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.

In addition, it has been given to understand that a budget of INR 167.7 Million has been provisioned to be spent on Tenant Improvement.

Also, it has been given to understand that post expiry of the existing tenant from CRISIL House, i.e., post 31st December 2024, the building shall be refurbished. The budgeted cost for such refurbishments to the extent of INR 574 Million has been additionally included in the budget as mentioned above.

In addition to above, 2.0% of rental income (including parking income) has been provisioned for maintenance of premises.

*#Note: As per the Architects Certificate (Dated: 16<sup>th</sup> October 2024)*



### 3.3 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Properties' top 10 tenants occupying space in the subject properties, account for ~61% of leasable area and ~57% of the gross rental income (including office, retail and telecom tenants).

Rank	Top 10 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Nomura Services India Pvt Ltd	2,28,685
2	Deloitte Group	2,27,599
3	J P Morgan Services India Pvt Ltd	2,19,150
4	Crisil Ltd	2,11,610
5	TIAA Global Business Services India Pvt Ltd	1,83,237
6	General Mills India Pvt Ltd	1,44,535
7	Petrofac Engineering India Pvt Ltd	90,085
8	Tata Projects	68,621
9	FIS Global Business Solutions India Pvt Ltd	56,830
10	Brooksolutions Global Services Pvt Ltd	56,346
<b>Total</b>		<b>1,486,698</b>

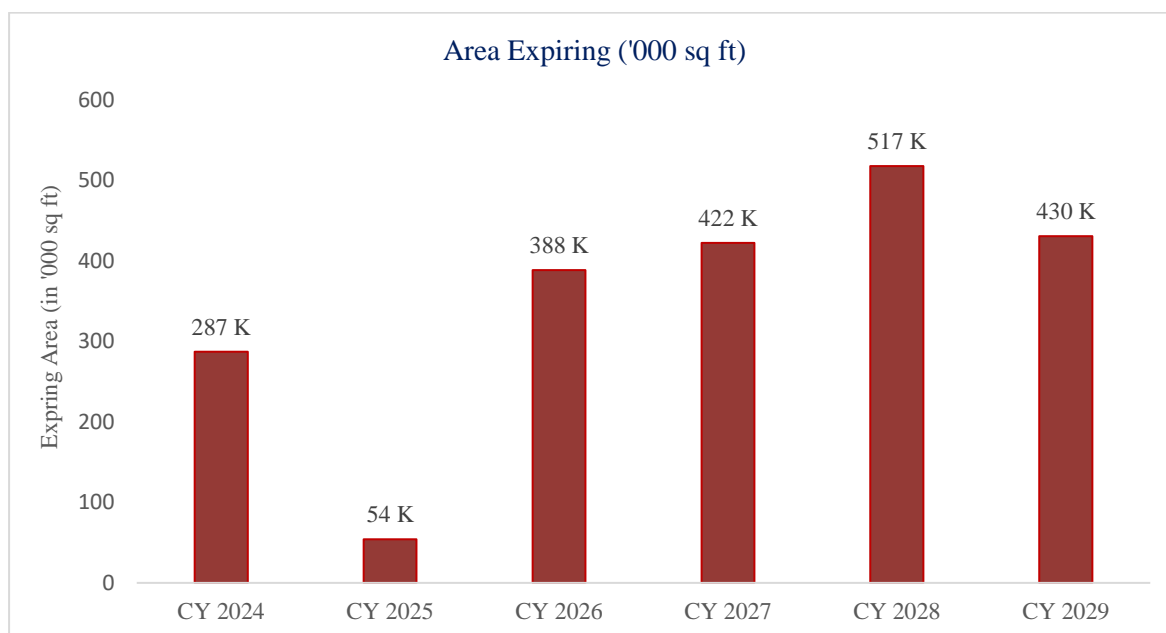
Source: Rent Roll as at 30 September 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Crisil Ltd	9%
2	Deloitte	9%
3	Nomura Services India Pvt Ltd	9%
4	J P Morgan Services India Pvt Ltd	8%
5	TIAA Global Business Services India Pvt Ltd	6%
6	General Mills India Pvt Ltd	5%
7	Petrofac Engineering India Pvt Ltd	3%
8	Tata Projects	3%
9	Brooksolutions Global Services Pvt Ltd	2%
10	M&G Global Services Pvt Ltd	2%
<b>Total</b>		<b>57%</b>

Source: Rent Roll as at 30 September 2024 and Client Information

### 3.4 Lease Expiry

The Weighted Average Lease Expiry (WALE) of the property is 3.39 years, with ~87% of occupied area expiring by CY 2029 as shown in the chart below (including office and retail tenants).



*Source: Rent Roll as at 30 September 2024 and Client Information*

Notes:

1. The chart is prepared on the basis of Calendar Year.

## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Title certificates, architect certificates and other related documents as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by the Cushman & Wakefield (CWI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by Cushman & Wakefield and readily available information in public domain to ascertain the transaction activity of commercial/IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

#### **4.3 Cash Flow Projections:**

1. Subject property is a completed building. The cash flows has been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The following steps were undertaken to arrive at the value. The projected future cash flows from the property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1&2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the subject property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

#### **4.4 Information Sources:**

Property related information relied upon for the valuation exercise have been provided to the Valuer by the Client and the market data has been provided by Cushman and Wakefield, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Property Details

#### Alpha

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	109,463
Area Leased	Sq. ft.	76,750
Leased	%	70.1%
Vacant Area	Sq. ft.	32,713
Vacancy	%	29.9%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	29,977
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Paid Car Parks	#	8.0
Estimated Leasing Period	# of quarters	3.0

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 2 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*

#### CRISIL House

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	2,11,611
Area Leased	Sq. ft.	2,11,611
Leased	%	100%
Vacant Area	Sq. ft.	-
Vacancy	%	0.0%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97.5%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Estimated Leasing Period	# of quarters	-

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (admeasuring 1 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*

### **Delphi**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	353,272
Area Leased	Sq. ft.	295,677
Leased	%	83.7%
Vacant Area	Sq. ft.	57,595
Vacancy	%	16.3%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	48,763
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Paid Car Parks	#	8.0
Estimated Leasing Period	# of quarters	1.0

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 3 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*

### **Fairmont**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	284,459
Area Leased	Sq. ft.	284,434
Leased	%	100%
Vacant Area	Sq. ft.	-
Vacancy	%	0.0%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97.5%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Paid Car Parks	#	214
Estimated Leasing Period	# of quarters	-

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied for ATM purpose (admeasuring 25 Sq Ft and Towers (cumulatively) admeasuring 5 sq ft). Of this, the income from the leased areas of telecom towers is included in the "Other Income"*



### Winchester

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	755,199
Area Leased	Sq. ft.	657,881
Leased	%	87.1%
Vacant Area	Sq. ft.	97,268
Vacancy	%	12.9%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	78,390
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Paid Car Parks	#	3.0
Estimated Leasing Period	# of quarters	3.0

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied for ATM purpose (cumulatively admeasuring 50 Sq Ft) and Towers (cumulatively admeasuring 4 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*

### Prudential

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	236,567
Area Leased	Sq. ft.	214,525
Leased	%	90.7%
Vacant Area	Sq. ft.	22,042
Vacancy	%	9.3%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	16,128
Existing Lease Rollovers	%	100.0%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Paid Car Parks	#	2.0
Estimated Leasing Period	# of quarters	1.0

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (admeasuring 1 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*





### Spectra

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	194,635
Area Leased	Sq. ft.	92,259
Leased	%	47.4%
Vacant Area	Sq. ft.	102,376
Vacancy	%	52.6%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	97,510
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Estimated Leasing Period	# of quarters	5.0

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 4 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*

### One Boulevard

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	106,133
Area Leased	Sq. ft.	94,810
Leased	%	89.3%
Vacant Area	Sq. ft.	11,323
Vacancy	%	10.7%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	8,670
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Estimated Leasing Period	# of quarters	1.0

*Note:*

*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 2 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*



**Ventura A**

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	498,145
Area Leased	Sq. ft.	497,331
Leased	%	99.8%
Vacant Area	Sq. ft.	814
Vacancy	%	0.2%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97.7%
Rent Free Period - Existing Leases	Months	2.0
Rent Free Period - New Leases	Months	4.0
Paid Car Parks	#	36
Estimated Leasing Period	# of quarters	-

*Note:*

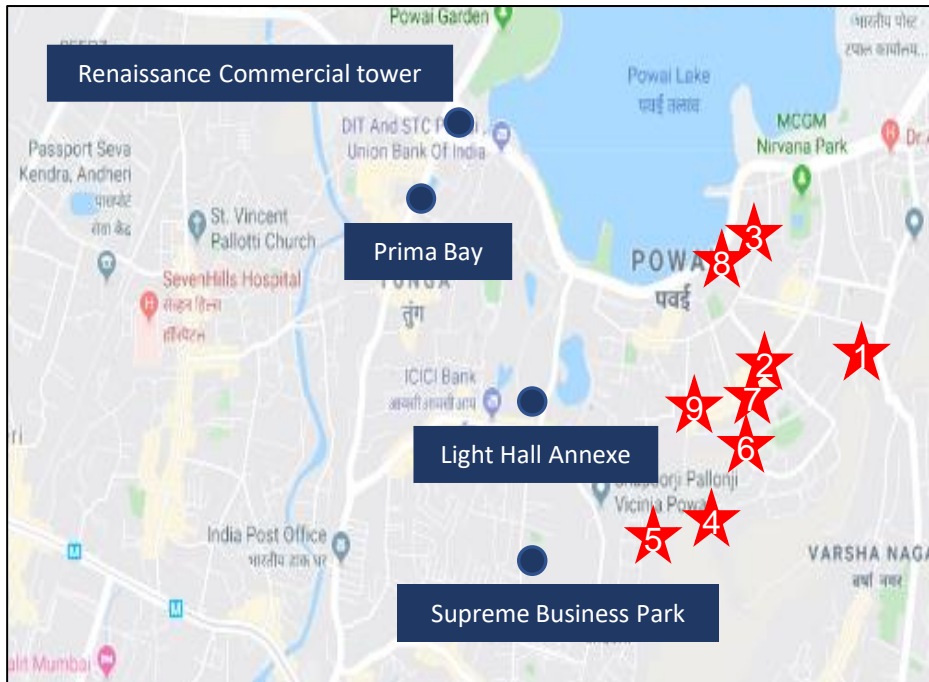
*Total Property Leasable Area, Area Leased and Vacant Area include areas designated / occupied Towers (cumulatively admeasuring 1 Sq Ft). Of this, the income from the leased areas of telecom tower is included in the "Other Income".*

*Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.*

*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area*

- **Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of two months has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 – Q3 2024, the Andheri & Powai micro market has witnessed an average annual net absorption of approximately 0.56 million sq. ft.
  - Going forward, the micro market is expected to have an average annual absorption of approximately 1.18 million sq. ft. per annum for Q4 2024 - 2026.

**Subject Properties and Relevant Existing/Upcoming Supply in the Andheri & Powai Micro Market –**



- Considering the above, it would be reasonable to believe that the Subject Properties shall be able to lease up ~0.28 million sq. ft. within 5 quarters from October 2024.
- Further leasing area of ~0.28 million sq. ft. has been assumed after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.

**Revenue Assumptions**

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Commercial)	Per sq. ft. per month	INR 180.00
Achievable Market Rent – Office (IT – Central Avenue)	Per sq. ft. per month	INR 163.00
Achievable Market Rent – Office (IT – South Avenue)	Per sq. ft. per month	INR 154.00
Achievable Market Rent– Retail (Delphi)	Per sq. ft. per month	INR 270.00
Achievable Market Rent– Retail (Delphi 1 <sup>st</sup> Floor)	Per sq. ft. per month	INR 200.00
Achievable Market Rent– Retail (Prudential)	Per sq. ft. per month	INR 425.00
Achievable Market Rent– Retail (One Boulevard)	Per sq. ft. per month	INR 350.00
Achievable Market Rent– Retail (Ventura)	Per sq. ft. per month	INR 425.00
Achievable Market Rent– Retail (Ventura 1 <sup>st</sup> Floor)	Per sq. ft. per month	INR 280.00
Market Rent growth rate from FY 2026 onwards	% p.a.	5.0%
Normal Market Lease Tenure	# of years	5
Normal Market Escalation at end	# of years	1
Market Escalation at the end of Escalation period	%	5.00%

- **Achievable market rent – Office (Commercial & IT):**
  - During 2021 to 2023, approximately 1.08 million sq. ft. was leased in the rental range of INR 135 - 193 per sq. ft. per month for IT buildings in South Avenue, INR 154 - 188 per sq. ft. per month for IT buildings in Central Avenue and INR 168 - 203 per sq. ft. per month for Commercial buildings.

**Notable Lease Transactions 2021 – 9M 2024**

Tenants Sector	Building Name	Office	Year	Area (sq. ft)	Rent (INR per sq. ft)
Banking, Financial Services and Insurance	Crisil House	IT – CA	2024	2,11,610	188
Technology	Ventura A	IT – CA	2024	56,346	170
Engineering and Manufacturing	Winchester	IT – SA	2024	50,892	135
Engineering and Manufacturing	Winchester	IT – SA	2024	34,854	135
Professional Services	Prudential	IT – SA	2024	17,726	170
Banking, Financial Services and Insurance	Winchester	IT – SA	2024	16,964	135
Banking, Financial Services and Insurance	Winchester	IT – SA	2024	11,019	193
Ecommerce	Delphi	Commercial	2024	10,500	192
Professional Services	One Boulevard	Commercial	2024	8,764	185
Professional Services	Delphi A	Commercial	2024	8,212	182
Engineering and Manufacturing	Alpha	Commercial	2024	7,950	185
Professional Services	Winchester	IT – SA	2024	1,954	193
Banking, Financial Services and Insurance	Winchester	IT – SA	2023	33,261	136
Engineering and Manufacturing	Ventura A	IT – CA	2023	23,448	158
Engineering and Manufacturing	Delphi	Commercial	2023	8,407	170
Professional Services	Delphi A	Commercial	2023	6,700	178
Engineering and Manufacturing	Delphi C	Commercial	2023	4,597	175
Engineering and Manufacturing	Delphi A	Commercial	2023	3,629	178
Engineering and Manufacturing	Delphi A	Commercial	2023	3,615	179
Engineering and Manufacturing	Spectra	IT – CA	2022	69,410	144
Engineering and Manufacturing	Ventura A	IT – CA	2022	66,637	150
Technology	Fairmont	IT – SA	2022	56,830	134
Professional Services	Prudential	IT – CA	2022	55,254	147
Healthcare & Pharmaceutical	Delphi	Commercial	2022	38,141	154
Engineering and Manufacturing	Delphi	Commercial	2022	32,829	150
Engineering and Manufacturing	Delphi	Commercial	2022	17,080	164
Professional Services	Delphi	Commercial	2022	12,825	166
Engineering and Manufacturing	Delphi	Commercial	2022	3,275	177
Professional Services	Prudential	IT – CA	2021	54,673	140
Banking, Financial Services and Insurance	Delphi	Commercial	2021	15,248	151
Technology	Winchester	IT – SA	2021	12,433	135

Source: Rent roll as at 30 September 2024 and Client Information

IT - CA: IT buildings in Central Avenue; IT – SA: IT buildings in South Avenue

Considering the location, accessibility, quality, size of the building, and keeping in view the strong demand in the competitive REIT micro-market coupled with limited available supply (especially in the Powai sub-market), upcoming supply expected to be delivered in 2023 in the competitive REIT micro-market to be mostly pre-committed, it can reasonably be assumed that the Subject Properties shall be able to command a monthly rental of INR 154, INR 163 & INR 180 per sq. ft. per month for IT buildings in South Avenue, IT buildings in Central Avenue & Commercial offices respectively.

- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals in FY2026 and onwards to be 5% in the medium to long term.
- **Other income:** We have been provided with other income for Telecom Towers income. We have considered an annual growth of 5.0% on other income.
- **O&M Margin:** O&M revenues and expenses were shared by the client.



- Alpha: For FY 2025, the O&M income is considered to be INR 18.06 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.5 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- CRISIL House: For FY 2025, the O&M income is considered to be INR 11.84 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 3.5 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- Delphi: For FY 2025, the O&M income is considered to be INR 15.64 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.1 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- Fairmont: For FY 2025, the O&M income is considered to be INR 15.91 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.3 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- Winchester: For FY 2025, the O&M income is considered to be INR 16.42 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.4 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- Prudential: For FY 2025, the O&M income is considered to be INR 17.44 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.5 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- Spectra: For FY 2025, the O&M income is considered to be INR 15.96 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.3 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- One Boulevard: For FY 2025, the O&M income is considered to be INR 20.38 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.9 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.
- Ventura A: For FY 2025, the O&M income is considered to be INR 17.01 per sq.ft. per month, which is escalated for subsequent years. The O&M margin is INR 4.5 per sq. ft. per month for FY 2025 except for the ones which are on fixed CAM model.



**Operating Cost Assumptions**

**Alpha**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/O&M Margin	Per sq. ft. / month	INR 4.5
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOF Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	11.9
CAM Cost escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**CRISIL House**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 3.5
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOF Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	-
Cost escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Delphi**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 4.1
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOF Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	33.1
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Fairmont**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 4.3
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOF Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc	Annual	16.2
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Winchester**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 4.4
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOF Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	43.2
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%





**Prudential**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 4.5
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOP Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	11.3
Cost escalation	% p.a.	5.0%
Property Tax escalation	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Spectra**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 4.3
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOP Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	10.7
Cost escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%



**One Boulevard**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 4.9
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOP Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	5.5
Cost escalation	% p.a.	5.0%
Property Tax Escalations	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

**Ventura A**

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal / release)	Months Rent	1 Month Rent
Brokerage Cost (New lease)	Months Rent	2 Month Rent
CAM/ O&M Margin	Per sq. ft. / month	INR 4.5
Direct Expense in CAM	Per sq. ft. / month	INR 1.5
CIOP Expense as of % (Lease Rent + Car Park + Fit out Rent)	% p.a.	1.5%
Property Tax / Lease Permission etc.	Annual	22.8
Cost escalation	% p.a.	5.0%
Property Taxes Escalations	% p.a.	5.0%
Direct Expense Recovery in CAM	% p.a.	8.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **CIOP:** As provided by the client, we have considered CIOP expense as 1.5% of revenue (Lease Rent + Car Park + Fit Out Rent).
- **Property tax, Insurance Cost:** Property Tax has been considered at the same level as FY 23-24 and projected to increase at 5.0% per annum. Insurance cost forms a part of CAM/O&M cost.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalisation rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates. In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused.

The cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft.)	Deal Size (INR Mn)	Capitalization Rate
Bhartiya Group	GIC	Hebbal	Bangalore	Bhartiya City	Commercial	2022	30,00,000	28,000	~8%
Brookfield Asset Management	Brookfield REIT	Powai	Mumbai	9 Grade A Properties in Downtown Powai	Commercial	2023	27,00,000	65,000	~8%
Salarpuria Sattva	Continental Automotive	Electronic city	Bangalore	South Gate	Commercial	2022	8,50,885	7,516	8.32%
TRIL Properties	CPPIB	Suburban South	Chennai	TRIL Info Park	Commercial	2022	46,67,000	63,000	~7.6% - 7.7%
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	9,690	7.6% - 7.8%
Embassy Property Developments Pvt. Ltd.	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	7.50%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	7.95%
Brookfield Asset Management	RMZ Group	Portfolio of assets-commercial and one mall	Chennai, Bangalore, Pune	Portfolio of assets-commercial and one mall	Coomercial	2020	1,28,00,000	1,46,801	7.50%
Tishman Speyer - GIC	Shapoorji Pallonji - Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%

Source: Secondary Market Research

Note:

\*CPPIB took 51% stake in the property erstwhile held by Prestige estates

The above information is based on information published in public domain and discussions with various market players



- **Discount Rate**

This discount rate applied to the available cash flows reflect the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/properties in the market.

The derived discount rate of ~11.75% for completed properties was found to be aligned with the expectations of international investors investing in similar assets.



## 6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which he has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows

Building Name	Market Value (INR Million)
Alpha	2,981
CRISIL House	5,747
Delphi	10,123
Fairmont	7,104
Winchester	18,276
Prudential	6,947
Spectra	4,768
One Boulevard	3,798
Ventura A	15,334
<b>Total Market Value</b>	<b>75,078</b>

Component	Market Value as on	In Figures	In Words
Completed Buildings	30 September 2024	INR 75,078 Million	Indian Rupees Seventy-Five Billion Seventy-Eight Million Only



I, L. Anuradha, the Valuer for the Subject Properties, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha, MRICS)

IBBI/RV/02/2022/14979



## **D ANNEXURES**





**Annexure 1: Cash Flows**

**Alpha**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29	01-Oct-30	01-Oct-31	01-Oct-32	01-Oct-33	01-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	164.71	236.89	253.88	272.62	284.06	287.09	311.61	323.73	330.07	362.08	385.07
O&M Income	INR Million	13.12	19.64	20.20	26.18	29.46	31.47	33.16	34.93	36.81	38.79	40.88
Other Income (Telecom)	INR Million	2.55	2.73	2.93	3.14	3.36	3.54	3.72	3.91	4.10	4.31	4.52
<b>Total Income</b>	INR Million	181.14	260.02	277.77	302.12	316.88	322.10	348.49	362.57	370.98	405.17	430.47
<b>Total Income from occupancy</b>	INR Million	181.14	260.02	277.77	302.12	316.88	322.10	348.49	362.57	370.98	405.17	430.47
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(18.21)	(19.12)	(20.07)	(21.08)	(22.13)	(23.24)	(24.40)	(25.62)	(26.90)	(28.24)	(29.65)
Property Taxes	INR Million	(12.17)	(12.78)	(13.42)	(14.09)	(14.79)	(15.53)	(16.31)	(17.13)	(17.98)	(18.88)	(19.82)
CIOF Expense - Others	INR Million	(2.48)	(3.56)	(3.82)	(4.09)	(4.26)	(4.31)	(4.67)	(4.86)	(4.95)	(5.43)	(5.78)
<b>Total Operating Costs</b>	INR Million	(32.86)	(35.46)	(37.31)	(39.26)	(41.18)	(43.07)	(45.38)	(47.60)	(49.83)	(52.55)	(55.26)
<b>Net operating Income</b>	INR Million	148.28	224.56	240.46	262.87	275.69	279.03	303.11	314.97	321.15	352.62	375.22
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	4,690.24	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(46.90)	
<b>Total Net Income</b>	INR Million	148.28	224.56	240.46	262.87	275.69	279.03	303.11	314.97	321.15	4,995.95	
Maintenance Capital Expenditure	INR Million	(2.46)	(4.75)	(5.09)	(5.46)	(5.68)	(5.74)	(6.23)	(6.47)	(6.60)	(7.24)	
Brokerage Expenses	INR Million	(10.90)	(3.78)	(3.44)	(2.25)	(1.83)	(9.09)	(2.41)	(4.39)	(2.88)	(2.33)	
Capital Expenditure	INR Million	(7.41)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	127.51	216.03	231.93	255.16	268.19	264.19	294.47	304.10	311.67	4,986.38	
<b>Discount Rate</b>	11.75%											
<b>NPV as on 30-Sept-24 (INR Million)</b>	2,981											
<b>INR per sq. ft.</b>	27,234											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**CRISIL House**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29	01-Oct-30	01-Oct-31	01-Oct-32	01-Oct-33	01-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	136.27	423.97	536.85	563.69	591.88	621.47	652.55	685.17	719.43	755.40	793.17
O&M Income	INR Million	8.64	35.49	40.37	42.58	44.93	47.41	50.03	52.80	55.73	58.84	62.12
Other Income (Telecom)	INR Million	0.18	0.19	0.20	0.20	0.22	0.23	0.24	0.25	0.26	0.27	0.29
<b>Total Income</b>	INR Million	145.08	459.65	577.41	606.48	637.02	669.10	702.81	738.22	775.43	814.51	855.58
<b>Total Income from occupancy</b>	INR Million	145.08	459.65	577.41	606.48	637.02	669.10	702.81	738.22	775.43	814.51	855.58
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(21.70)	(22.79)	(23.93)	(25.12)	(26.38)	(27.70)	(29.08)	(30.54)	(32.06)	(33.67)	(35.35)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	-	-	-	-	-	-	-	-	-	-	-
CIOP Expense - Others	INR Million	(2.04)	(6.36)	(8.05)	(8.46)	(8.88)	(9.32)	(9.79)	(10.28)	(10.79)	(11.33)	(11.90)
<b>Total Operating Costs</b>	INR Million	(23.75)	(29.15)	(31.98)	(33.58)	(35.26)	(37.02)	(38.87)	(40.81)	(42.85)	(45.00)	(47.25)
<b>Net operating Income</b>	INR Million	121.34	430.50	545.43	572.90	601.76	632.09	663.94	697.41	732.57	769.52	808.33
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	10,104.17	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(101.04)	
<b>Total Net Income</b>	INR Million	121.34	430.50	545.43	572.90	601.76	632.09	663.94	697.41	732.57	10,772.64	
Maintenance Capital Expenditure	INR Million	-	(7.20)	(10.74)	(11.27)	(11.84)	(12.43)	(13.05)	(13.70)	(14.39)	(15.11)	
Brokerage Expenses	INR Million	(17.08)	(25.47)	-	-	-	(21.80)	(32.50)	-	-	-	
Capital Expenditure	INR Million	(544.17)	(44.15)	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	(439.92)	353.68	534.70	561.63	589.93	597.86	618.39	683.71	718.18	10,757.53	
<b>Discount Rate</b>	<b>11.75%</b>											
<b>NPV as on 30-Sept-24 (INR Million)</b>	<b>5,747</b>											
<b>INR per sq. ft.</b>	<b>27,158</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Delphi**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29	01-Oct-30	01-Oct-31	01-Oct-32	01-Oct-33	01-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	690.49	815.71	822.30	930.72	996.05	1,018.25	1,099.65	1,120.53	1,172.97	1,256.10	1,335.92
Parking Income	INR Million	0.89	0.86	0.14	0.14	0.02	-	-	-	-	-	-
O&M Income	INR Million	57.38	66.31	73.60	80.34	85.72	91.09	96.01	101.20	106.46	112.16	118.26
Other Income (Telecom)	INR Million	3.16	3.36	3.60	3.84	4.09	4.33	4.54	4.77	5.01	5.26	5.52
<b>Total Income</b>	INR Million	<b>751.93</b>	<b>886.23</b>	<b>899.64</b>	<b>1,015.04</b>	<b>1,085.89</b>	<b>1,113.67</b>	<b>1,200.20</b>	<b>1,226.50</b>	<b>1,284.45</b>	<b>1,373.52</b>	<b>1,459.70</b>
<b>Total Income from occupancy</b>	INR Million	<b>751.93</b>	<b>886.23</b>	<b>899.64</b>	<b>1,015.04</b>	<b>1,085.89</b>	<b>1,113.67</b>	<b>1,200.20</b>	<b>1,226.50</b>	<b>1,284.45</b>	<b>1,373.52</b>	<b>1,459.70</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(50.00)	(52.50)	(55.12)	(57.88)	(60.77)	(63.81)	(67.00)	(70.35)	(73.87)	(77.56)	(81.44)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(33.92)	(35.61)	(37.39)	(39.26)	(41.23)	(43.29)	(45.45)	(47.72)	(50.11)	(52.62)	(55.25)
CIOP Expense - Others	INR Million	(33.28)	(39.29)	(39.58)	(44.76)	(47.81)	(48.88)	(52.78)	(53.79)	(56.30)	(60.29)	(64.12)
<b>Total Operating Costs</b>	INR Million	<b>(117.19)</b>	<b>(127.40)</b>	<b>(132.09)</b>	<b>(141.90)</b>	<b>(149.81)</b>	<b>(155.97)</b>	<b>(165.24)</b>	<b>(171.86)</b>	<b>(180.28)</b>	<b>(190.47)</b>	<b>(200.81)</b>
<b>Net operating Income</b>	INR Million	<b>634.74</b>	<b>758.84</b>	<b>767.55</b>	<b>873.13</b>	<b>936.08</b>	<b>957.70</b>	<b>1,034.97</b>	<b>1,054.64</b>	<b>1,104.16</b>	<b>1,183.05</b>	<b>1,258.89</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	15,736.13	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(157.36)	
<b>Fit Out Income</b>	INR Million	1.87	1.97	2.06	1.69	-	-	-	-	-	-	
<b>Total Net Income</b>	INR Million	<b>636.61</b>	<b>760.80</b>	<b>769.61</b>	<b>874.82</b>	<b>936.08</b>	<b>957.70</b>	<b>1,034.97</b>	<b>1,054.64</b>	<b>1,104.16</b>	<b>16,761.81</b>	
Maintenance Capital Expenditure	INR Million	(10.62)	(16.33)	(16.45)	(18.62)	(19.92)	(20.36)	(21.99)	(22.41)	(23.46)	(25.12)	
Brokerage Expenses	INR Million	(22.62)	(8.07)	(32.65)	(14.54)	(5.68)	(18.65)	(10.30)	(41.67)	(19.70)	(7.25)	
Capital Expenditure	INR Million	(23.92)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>579.46</b>	<b>736.40</b>	<b>720.51</b>	<b>841.66</b>	<b>910.48</b>	<b>918.68</b>	<b>1,002.67</b>	<b>990.56</b>	<b>1,061.01</b>	<b>16,729.44</b>	
<b>Discount Rate</b>	<b>11.75%</b>											
<b>NPV as on 30-Sept-24 (INR Million)</b>	<b>10,123</b>											
<b>INR per sq. ft.</b>	<b>28,655</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Fairmont**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24 30-Sep-25	01-Oct-25 30-Sep-26	01-Oct-26 30-Sep-27	01-Oct-27 30-Sep-28	01-Oct-28 30-Sep-29	01-Oct-29 30-Sep-30	01-Oct-30 30-Sep-31	01-Oct-31 30-Sep-32	01-Oct-32 30-Sep-33	01-Oct-33 30-Sep-34	01-Oct-34 30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	541.92	571.17	603.14	658.52	585.24	653.01	709.65	721.12	782.38	737.62	862.58
Parking Income	INR Million	13.25	13.91	14.61	15.34	2.59	-	-	-	-	-	-
O&M Income	INR Million	42.70	45.20	49.74	53.49	67.22	73.15	77.10	81.27	85.68	90.33	95.24
Other Income (Telecom)	INR Million	5.34	5.67	6.08	6.47	6.85	7.22	7.58	7.96	8.36	8.78	9.22
<b>Total Income</b>	INR Million	<b>603.21</b>	<b>635.95</b>	<b>673.56</b>	<b>733.81</b>	<b>661.90</b>	<b>733.39</b>	<b>794.33</b>	<b>810.35</b>	<b>876.42</b>	<b>836.72</b>	<b>967.04</b>
<b>Total Income from occupancy</b>	INR Million	<b>603.21</b>	<b>635.95</b>	<b>673.56</b>	<b>733.81</b>	<b>661.90</b>	<b>733.39</b>	<b>794.33</b>	<b>810.35</b>	<b>876.42</b>	<b>836.72</b>	<b>967.04</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(40.75)	(42.78)	(44.92)	(47.17)	(49.53)	(52.01)	(54.61)	(57.34)	(60.20)	(63.21)	(66.37)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(16.62)	(17.45)	(18.32)	(19.24)	(20.20)	(21.21)	(22.27)	(23.38)	(24.55)	(25.78)	(27.07)
CIOP Expense - Others	INR Million	(8.33)	(8.78)	(9.27)	(10.11)	(8.82)	(9.80)	(10.64)	(10.82)	(11.74)	(11.06)	(12.94)
<b>Total Operating Costs</b>	INR Million	<b>(65.69)</b>	<b>(69.01)</b>	<b>(72.51)</b>	<b>(76.51)</b>	<b>(78.54)</b>	<b>(83.01)</b>	<b>(87.52)</b>	<b>(91.53)</b>	<b>(96.49)</b>	<b>(100.05)</b>	<b>(106.38)</b>
<b>Net operating Income</b>	INR Million	<b>537.51</b>	<b>566.94</b>	<b>601.05</b>	<b>657.30</b>	<b>583.35</b>	<b>650.38</b>	<b>706.81</b>	<b>718.82</b>	<b>779.93</b>	<b>736.67</b>	<b>860.66</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	10,758.21	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(107.58)	
<b>Total Net Income</b>	INR Million	<b>537.51</b>	<b>566.94</b>	<b>601.05</b>	<b>657.30</b>	<b>583.35</b>	<b>650.38</b>	<b>706.81</b>	<b>718.82</b>	<b>779.93</b>	<b>11,387.29</b>	
Maintenance Capital Expenditure	INR Million	(8.61)	(11.70)	(12.35)	(13.48)	(11.76)	(13.06)	(14.19)	(14.42)	(15.65)	(14.75)	
Brokerage Expenses	INR Million	(8.95)	-	(9.41)	-	(32.86)	(11.42)	-	(12.01)	-	(41.94)	
Capital Expenditure	INR Million	(19.26)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>500.70</b>	<b>555.24</b>	<b>579.29</b>	<b>643.82</b>	<b>538.73</b>	<b>625.90</b>	<b>692.62</b>	<b>692.39</b>	<b>764.28</b>	<b>11,330.60</b>	
<b>Discount Rate</b>	<b>11.75%</b>											
<b>NPV as on 30-Sept-24 (INR Million)</b>	<b>7,104</b>											
<b>INR per sq. ft.</b>	<b>24,978</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Winchester**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29	01-Oct-30	01-Oct-31	01-Oct-32	01-Oct-33	01-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	1,102.71	1,310.72	1,407.56	1,535.33	1,552.14	1,770.73	1,840.43	2,005.66	2,127.16	2,117.30	2,362.22
O&M Income	INR Million	109.66	127.72	138.66	147.53	162.49	191.34	209.37	221.48	233.46	246.11	259.46
Other Income (Telecom)	INR Million	5.55	5.94	6.35	6.68	7.02	7.37	7.74	8.12	8.53	8.95	9.40
<b>Total Income</b>	INR Million	1,217.91	1,444.39	1,552.57	1,689.55	1,721.65	1,969.43	2,057.54	2,235.26	2,369.14	2,372.36	2,631.09
<b>Total Income from occupancy</b>	INR Million	1,217.91	1,444.39	1,552.57	1,689.55	1,721.65	1,969.43	2,057.54	2,235.26	2,369.14	2,372.36	2,631.09
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(111.49)	(117.06)	(122.92)	(129.06)	(135.52)	(142.29)	(149.41)	(156.88)	(164.72)	(172.96)	(181.60)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(44.31)	(46.53)	(48.86)	(51.30)	(53.86)	(56.56)	(59.38)	(62.35)	(65.47)	(68.74)	(72.18)
CIOP Expense - Others	INR Million	(16.54)	(19.66)	(21.11)	(23.03)	(23.28)	(26.56)	(27.61)	(30.08)	(31.91)	(31.76)	(35.43)
<b>Total Operating Costs</b>	INR Million	(172.34)	(183.25)	(192.89)	(203.39)	(212.66)	(225.41)	(236.40)	(249.31)	(262.10)	(273.46)	(289.22)
<b>Net operating Income</b>	INR Million	1,045.57	1,261.14	1,359.68	1,486.16	1,508.99	1,744.03	1,821.14	1,985.94	2,107.04	2,098.90	2,341.87
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	29,273.39	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(292.73)	
<b>Total Net Income</b>	INR Million	1,045.57	1,261.14	1,359.68	1,486.16	1,508.99	1,744.03	1,821.14	1,985.94	2,107.04	31,079.56	
Maintenance Capital Expenditure	INR Million	(17.76)	(26.21)	(28.15)	(30.71)	(31.04)	(35.41)	(36.81)	(40.11)	(42.54)	(42.35)	
Brokerage Expenses	INR Million	(17.41)	(16.27)	(14.27)	(3.93)	(51.49)	(31.62)	(53.19)	(18.21)	(5.01)	(65.72)	
Capital Expenditure	INR Million	(51.13)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	959.28	1,218.65	1,317.26	1,451.52	1,426.45	1,676.99	1,731.14	1,927.62	2,059.49	30,971.49	
<b>Discount Rate</b>	<b>11.75%</b>											
<b>NPV as on 30-Sept-24 (INR Million)</b>	<b>18,276</b>											
<b>INR per sq. ft.</b>	<b>24,202</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Prudential**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24 30-Sep-25	01-Oct-25 30-Sep-26	01-Oct-26 30-Sep-27	01-Oct-27 30-Sep-28	01-Oct-28 30-Sep-29	01-Oct-29 30-Sep-30	01-Oct-30 30-Sep-31	01-Oct-31 30-Sep-32	01-Oct-32 30-Sep-33	01-Oct-33 30-Sep-34	01-Oct-34 30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	508.35	559.87	535.03	614.80	653.44	633.47	706.37	694.59	769.12	817.71	858.59
Parking Income	INR Million	0.15	0.15	0.16	0.17	0.18	0.10	-	-	-	-	-
O&M Income	INR Million	39.73	43.50	48.15	53.83	56.77	62.65	69.43	73.16	77.10	81.26	85.65
Other Income (Telecom)	INR Million	0.18	0.19	0.20	0.21	0.22	0.23	0.24	0.25	0.26	0.28	0.29
<b>Total Income</b>	INR Million	<b>548.40</b>	<b>603.72</b>	<b>583.54</b>	<b>669.00</b>	<b>710.61</b>	<b>696.44</b>	<b>776.04</b>	<b>768.00</b>	<b>846.48</b>	<b>899.24</b>	<b>944.53</b>
<b>Total Income from occupancy</b>	INR Million	<b>548.40</b>	<b>603.72</b>	<b>583.54</b>	<b>669.00</b>	<b>710.61</b>	<b>696.44</b>	<b>776.04</b>	<b>768.00</b>	<b>846.48</b>	<b>899.24</b>	<b>944.53</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(37.66)	(39.54)	(41.52)	(43.59)	(45.77)	(48.06)	(50.46)	(52.99)	(55.64)	(58.42)	(61.34)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(11.58)	(12.16)	(12.77)	(13.41)	(14.08)	(14.78)	(15.52)	(16.30)	(17.11)	(17.97)	(18.87)
CIOP Expense - Others	INR Million	(7.63)	(8.40)	(8.03)	(9.22)	(9.80)	(9.50)	(10.60)	(10.42)	(11.54)	(12.27)	(12.88)
<b>Total Operating Costs</b>	INR Million	<b>(56.87)</b>	<b>(60.10)</b>	<b>(62.31)</b>	<b>(66.23)</b>	<b>(69.66)</b>	<b>(72.35)</b>	<b>(76.58)</b>	<b>(79.70)</b>	<b>(84.29)</b>	<b>(88.65)</b>	<b>(93.09)</b>
<b>Net operating Income</b>	INR Million	<b>491.54</b>	<b>543.61</b>	<b>521.22</b>	<b>602.78</b>	<b>640.95</b>	<b>624.10</b>	<b>699.45</b>	<b>688.30</b>	<b>762.20</b>	<b>810.59</b>	<b>851.44</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	10,643.02	-
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(106.43)	-
<b>Total Net Income</b>	INR Million	<b>491.54</b>	<b>543.61</b>	<b>521.22</b>	<b>602.78</b>	<b>640.95</b>	<b>624.10</b>	<b>699.45</b>	<b>688.30</b>	<b>762.20</b>	<b>11,347.18</b>	-
Maintenance Capital Expenditure	INR Million	(7.68)	(11.20)	(10.70)	(12.30)	(13.07)	(12.67)	(14.13)	(13.89)	(15.38)	(16.35)	-
Brokerage Expenses	INR Million	(5.52)	-	(24.78)	(3.78)	-	(24.47)	-	(31.63)	(4.82)	-	-
Capital Expenditure	INR Million	(16.02)	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	<b>462.31</b>	<b>532.41</b>	<b>485.74</b>	<b>586.70</b>	<b>627.88</b>	<b>586.95</b>	<b>685.33</b>	<b>642.78</b>	<b>741.99</b>	<b>11,330.83</b>	-
<b>Discount Rate</b>	<b>11.75%</b>											
<b>NPV as on 30-Sept-24 (INR Million)</b>	<b>6,947</b>											
<b>INR per sq. ft.</b>	<b>29,367</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Spectra**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29	01-Oct-30	01-Oct-31	01-Oct-32	01-Oct-33	01-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	176.06	324.55	403.20	448.55	470.81	477.14	492.73	544.47	571.50	564.97	605.09
O&M Income	INR Million	20.53	35.66	42.55	45.50	47.90	50.43	53.11	55.92	58.90	59.39	62.59
Other Income (Telecom)	INR Million	4.55	4.89	5.23	5.57	5.91	6.26	6.57	6.90	7.24	7.60	7.98
<b>Total Income</b>	INR Million	201.15	365.10	450.98	499.62	524.63	533.84	552.41	607.29	637.63	631.96	675.66
<b>Total Income from occupancy</b>	INR Million	201.15	365.10	450.98	499.62	524.63	533.84	552.41	607.29	637.63	631.96	675.66
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(27.92)	(29.31)	(30.78)	(32.32)	(33.94)	(35.63)	(37.41)	(39.28)	(41.25)	(43.31)	(45.48)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(10.94)	(11.49)	(12.06)	(12.67)	(13.30)	(13.96)	(14.66)	(15.40)	(16.17)	(16.97)	(17.82)
CIOP Expense - Others	INR Million	(2.64)	(4.87)	(6.05)	(6.73)	(7.06)	(7.16)	(7.39)	(8.17)	(8.57)	(8.47)	(9.08)
<b>Total Operating Costs</b>	INR Million	(41.50)	(45.67)	(48.89)	(51.71)	(54.30)	(56.75)	(59.47)	(62.85)	(65.99)	(68.76)	(72.38)
<b>Net operating Income</b>	INR Million	159.64	319.42	402.09	447.91	470.33	477.08	492.94	544.44	571.65	563.20	603.28
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	7,541.05	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(75.41)	
<b>Total Net Income</b>	INR Million	159.64	319.42	402.09	447.91	470.33	477.08	492.94	544.44	571.65	8,028.84	
Maintenance Capital Expenditure	INR Million	(2.86)	(6.49)	(8.06)	(8.97)	(9.42)	(9.54)	(9.85)	(10.89)	(11.43)	(11.30)	
Brokerage Expenses	INR Million	(13.35)	(20.36)	(12.47)	-	-	(8.52)	(12.99)	(15.92)	-	(5.78)	
Capital Expenditure	INR Million	(13.18)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	130.26	292.57	381.55	438.93	460.91	459.02	470.09	517.63	560.22	8,011.76	
<b>Discount Rate</b>	11.75%											
<b>NPV as on 30-Sept-24 (INR Million)</b>	4,768											
<b>INR per sq. ft.</b>	24,497											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes





**One Boulevard**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24 30-Sep-25	01-Oct-25 30-Sep-26	01-Oct-26 30-Sep-27	01-Oct-27 30-Sep-28	01-Oct-28 30-Sep-29	01-Oct-29 30-Sep-30	01-Oct-30 30-Sep-31	01-Oct-31 30-Sep-32	01-Oct-32 30-Sep-33	01-Oct-33 30-Sep-34	01-Oct-34 30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	251.87	291.30	289.96	333.47	340.44	358.94	382.26	362.52	420.25	437.96	468.52
O&M Income	INR Million	20.41	22.99	25.76	31.35	33.15	35.96	37.87	39.89	42.01	44.25	46.62
Other Income (Telecom)	INR Million	3.25	3.44	3.68	3.87	4.06	4.27	4.48	4.70	4.94	5.19	5.45
<b>Total Income</b>	INR Million	<b>275.53</b>	<b>317.73</b>	<b>319.40</b>	<b>368.69</b>	<b>377.66</b>	<b>399.17</b>	<b>424.61</b>	<b>407.11</b>	<b>467.20</b>	<b>487.39</b>	<b>520.59</b>
<b>Total Income from occupancy</b>	INR Million	<b>275.53</b>	<b>317.73</b>	<b>319.40</b>	<b>368.69</b>	<b>377.66</b>	<b>399.17</b>	<b>424.61</b>	<b>407.11</b>	<b>467.20</b>	<b>487.39</b>	<b>520.59</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(20.17)	(21.18)	(22.24)	(23.35)	(24.52)	(25.75)	(27.03)	(28.39)	(29.80)	(31.29)	(32.86)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(5.66)	(5.94)	(6.23)	(6.55)	(6.87)	(7.22)	(7.58)	(7.96)	(8.36)	(8.77)	(9.21)
CIOP Expense - Others	INR Million	(3.78)	(4.37)	(4.35)	(5.00)	(5.11)	(5.38)	(5.73)	(5.44)	(6.30)	(6.57)	(7.03)
<b>Total Operating Costs</b>	INR Million	<b>(29.61)</b>	<b>(31.49)</b>	<b>(32.83)</b>	<b>(34.90)</b>	<b>(36.50)</b>	<b>(38.35)</b>	<b>(40.35)</b>	<b>(41.78)</b>	<b>(44.46)</b>	<b>(46.64)</b>	<b>(49.10)</b>
<b>Net operating Income</b>	INR Million	<b>245.93</b>	<b>286.24</b>	<b>286.57</b>	<b>333.78</b>	<b>341.16</b>	<b>360.82</b>	<b>384.26</b>	<b>365.32</b>	<b>422.74</b>	<b>440.76</b>	<b>471.49</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	5,893.59	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(58.94)	
<b>Total Net Income</b>	INR Million	<b>245.93</b>	<b>286.24</b>	<b>286.57</b>	<b>333.78</b>	<b>341.16</b>	<b>360.82</b>	<b>384.26</b>	<b>365.32</b>	<b>422.74</b>	<b>6,275.41</b>	
Maintenance Capital Expenditure	INR Million	(3.74)	(5.83)	(5.80)	(6.67)	(6.81)	(7.18)	(7.65)	(7.25)	(8.41)	(8.76)	
Brokerage Expenses	INR Million	(5.96)	(1.25)	(16.54)	(1.85)	(3.24)	(5.51)	(1.60)	(21.11)	(2.36)	(4.13)	
Capital Expenditure	INR Million	(7.19)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>229.04</b>	<b>279.16</b>	<b>264.24</b>	<b>325.27</b>	<b>331.11</b>	<b>348.13</b>	<b>375.02</b>	<b>336.97</b>	<b>411.97</b>	<b>6,262.53</b>	
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 30-Sept-24 (INR Million)</b>		<b>3,798</b>										
<b>INR per sq. ft.</b>		<b>35,782</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes



**Ventura A**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24 30-Sep-25	01-Oct-25 30-Sep-26	01-Oct-26 30-Sep-27	01-Oct-27 30-Sep-28	01-Oct-28 30-Sep-29	01-Oct-29 30-Sep-30	01-Oct-30 30-Sep-31	01-Oct-31 30-Sep-32	01-Oct-32 30-Sep-33	01-Oct-33 30-Sep-34	01-Oct-34 30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	1,082.60	1,171.68	1,189.67	1,223.90	1,362.35	1,470.14	1,541.94	1,632.19	1,604.78	1,762.06	1,892.57
Parking Income	INR Million	18.19	18.98	18.39	18.78	9.06	0.60	0.12	-	-	-	-
O&M Income	INR Million	81.08	86.07	96.49	116.41	132.37	142.98	150.01	158.01	166.39	175.11	184.77
Other Income (Telecom)	INR Million	1.66	1.71	1.84	1.97	2.06	2.17	2.28	2.39	2.51	2.64	2.77
<b>Total Income</b>	INR Million	<b>1,183.53</b>	<b>1,278.44</b>	<b>1,306.39</b>	<b>1,361.06</b>	<b>1,505.84</b>	<b>1,615.89</b>	<b>1,694.35</b>	<b>1,792.58</b>	<b>1,773.68</b>	<b>1,939.80</b>	<b>2,080.11</b>
<b>Total Income from occupancy</b>	INR Million	<b>1,183.53</b>	<b>1,278.44</b>	<b>1,306.39</b>	<b>1,361.06</b>	<b>1,505.84</b>	<b>1,615.89</b>	<b>1,694.35</b>	<b>1,792.58</b>	<b>1,773.68</b>	<b>1,939.80</b>	<b>2,080.11</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(76.75)	(80.59)	(84.62)	(88.85)	(93.30)	(97.96)	(102.86)	(108.00)	(113.40)	(119.07)	(125.02)
Payroll Cost	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(23.35)	(24.52)	(25.75)	(27.03)	(28.39)	(29.81)	(31.30)	(32.86)	(34.50)	(36.23)	(38.04)
CIOP Expense - Others	INR Million	(16.71)	(18.06)	(18.33)	(18.86)	(20.57)	(22.06)	(23.13)	(24.48)	(24.07)	(26.43)	(28.39)
<b>Total Operating Costs</b>	INR Million	<b>(116.81)</b>	<b>(123.18)</b>	<b>(128.70)</b>	<b>(134.74)</b>	<b>(142.25)</b>	<b>(149.83)</b>	<b>(157.28)</b>	<b>(165.34)</b>	<b>(171.98)</b>	<b>(181.73)</b>	<b>(191.45)</b>
<b>Net operating Income</b>	INR Million	<b>1,066.72</b>	<b>1,155.26</b>	<b>1,177.68</b>	<b>1,226.32</b>	<b>1,363.58</b>	<b>1,466.06</b>	<b>1,537.06</b>	<b>1,627.24</b>	<b>1,601.70</b>	<b>1,758.07</b>	<b>1,888.66</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	23,608.26	23,608.26
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(236.08)	-
<b>Total Net Income</b>	INR Million	<b>1,079.66</b>	<b>1,168.85</b>	<b>1,191.95</b>	<b>1,240.65</b>	<b>1,363.58</b>	<b>1,466.06</b>	<b>1,537.06</b>	<b>1,627.24</b>	<b>1,601.70</b>	<b>25,130.24</b>	
Maintenance Capital Expenditure	INR Million	(16.70)	(23.81)	(24.16)	(24.85)	(27.43)	(29.41)	(30.84)	(32.64)	(32.10)	(35.24)	
Brokerage Expenses	INR Million	-	-	(31.73)	(48.58)	(14.06)	(5.10)	(9.04)	(40.49)	(62.00)	(17.94)	
Capital Expenditure	INR Million	(33.73)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>1,029.23</b>	<b>1,145.04</b>	<b>1,136.07</b>	<b>1,167.22</b>	<b>1,322.10</b>	<b>1,431.55</b>	<b>1,497.18</b>	<b>1,554.10</b>	<b>1,507.61</b>	<b>25,077.06</b>	
<b>Discount Rate</b>		<b>11.75%</b>										
<b>NPV as on 30-Sept-24 (INR Million)</b>		<b>15,334</b>										
<b>INR per sq. ft.</b>		<b>30,782</b>										

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes



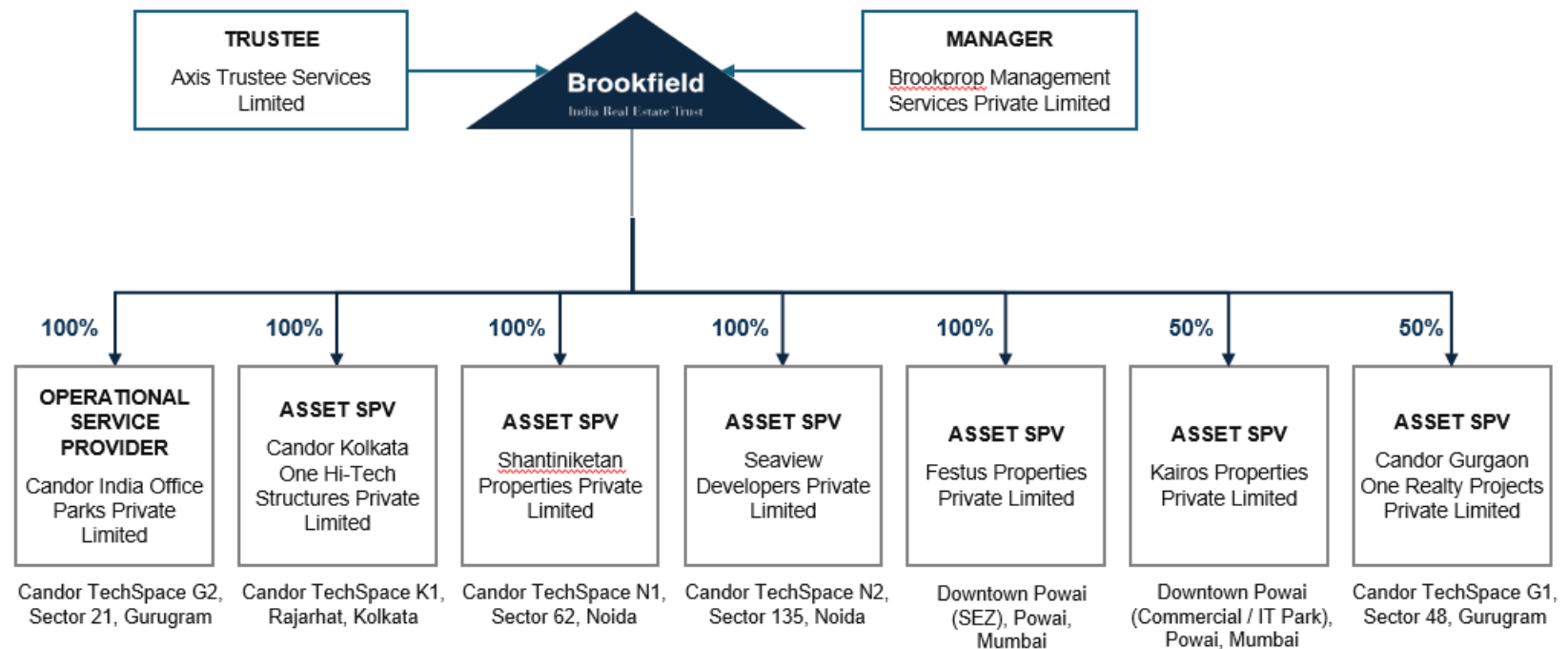
## Consolidated

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24 30-Sep-25	01-Oct-25 30-Sep-26	01-Oct-26 30-Sep-27	01-Oct-27 30-Sep-28	01-Oct-28 30-Sep-29	01-Oct-29 30-Sep-30	01-Oct-30 30-Sep-31	01-Oct-31 30-Sep-32	01-Oct-32 30-Sep-33	01-Oct-33 30-Sep-34	01-Oct-34 30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	4,654.98	5,705.87	6,041.58	6,581.59	6,836.41	7,290.25	7,737.18	8,089.96	8,497.66	8,811.18	9,563.74
Parking Income	INR Million	33.24	34.65	34.05	34.63	11.85	0.70	0.12	-	-	-	-
ATM Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
O&M Income	INR Million	393.25	482.58	535.51	597.21	660.00	726.49	776.08	818.67	862.53	906.21	955.59
Other Income (Telecom)	INR Million	26.42	28.12	30.11	31.95	33.79	35.61	37.39	39.26	41.22	43.28	45.44
<b>Total Income</b>	INR Million	<b>5,107.89</b>	<b>6,251.22</b>	<b>6,641.25</b>	<b>7,245.37</b>	<b>7,542.06</b>	<b>8,053.04</b>	<b>8,550.77</b>	<b>8,947.88</b>	<b>9,401.41</b>	<b>9,760.67</b>	<b>10,564.77</b>
<b>Total Income from occupancy</b>	INR Million	<b>5,107.89</b>	<b>6,251.22</b>	<b>6,641.25</b>	<b>7,245.37</b>	<b>7,542.06</b>	<b>8,053.04</b>	<b>8,550.77</b>	<b>8,947.88</b>	<b>9,401.41</b>	<b>9,760.67</b>	<b>10,564.77</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(404.64)	(424.87)	(446.12)	(468.42)	(491.85)	(516.44)	(542.26)	(569.37)	(597.84)	(627.73)	(659.12)
Property Taxes	INR Million	(158.55)	(166.48)	(174.80)	(183.54)	(192.72)	(202.36)	(212.47)	(223.10)	(234.25)	(245.97)	(258.26)
CIOP Expense - Others	INR Million	(93.42)	(113.35)	(118.59)	(130.26)	(135.59)	(142.97)	(152.35)	(158.33)	(166.17)	(173.62)	(187.54)
<b>Total Operating Costs</b>	INR Million	<b>(656.62)</b>	<b>(704.71)</b>	<b>(739.51)</b>	<b>(782.23)</b>	<b>(820.16)</b>	<b>(861.76)</b>	<b>(907.08)</b>	<b>(950.80)</b>	<b>(998.27)</b>	<b>(1,047.32)</b>	<b>(1,104.93)</b>
<b>Net operating Income</b>	INR Million	<b>4,451.27</b>	<b>5,546.51</b>	<b>5,901.74</b>	<b>6,463.15</b>	<b>6,721.90</b>	<b>7,191.28</b>	<b>7,643.69</b>	<b>7,997.09</b>	<b>8,403.14</b>	<b>8,713.35</b>	<b>9,459.84</b>
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	1,18,248.06	
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(1,18,248)	
<b>Fit Out Income</b>	INR Million	14.82	15.56	16.34	16.03	-	-	-	-	-	-	
<b>Total Net Income</b>	INR Million	<b>4,466.09</b>	<b>5,562.07</b>	<b>5,918.08</b>	<b>6,479.18</b>	<b>6,721.90</b>	<b>7,191.28</b>	<b>7,643.69</b>	<b>7,997.09</b>	<b>8,403.14</b>	<b>1,25,778.93</b>	
Maintenance Capital Expenditure	INR Million	(70.42)	(113.53)	(121.51)	(132.32)	(136.97)	(145.82)	(154.75)	(161.80)	(169.95)	(176.22)	
Brokerage Expenses	INR Million	(101.78)	(75.20)	(145.29)	(74.93)	(109.15)	(136.18)	(122.03)	(185.43)	(96.77)	(145.08)	
Capital Expenditure	INR Million	(716.01)	(44.15)	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>3,577.88</b>	<b>5,329.19</b>	<b>5,651.28</b>	<b>6,271.92</b>	<b>6,475.78</b>	<b>6,909.28</b>	<b>7,366.91</b>	<b>7,649.86</b>	<b>8,136.42</b>	<b>1,25,457.63</b>	
<b>Discount Rate for completed Warmshell Property Value</b>	<b>11.75%</b>											
<b>NPV INR Million</b>	<b>75,078</b>											

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes



**Annexure 2: Ownership Structure**

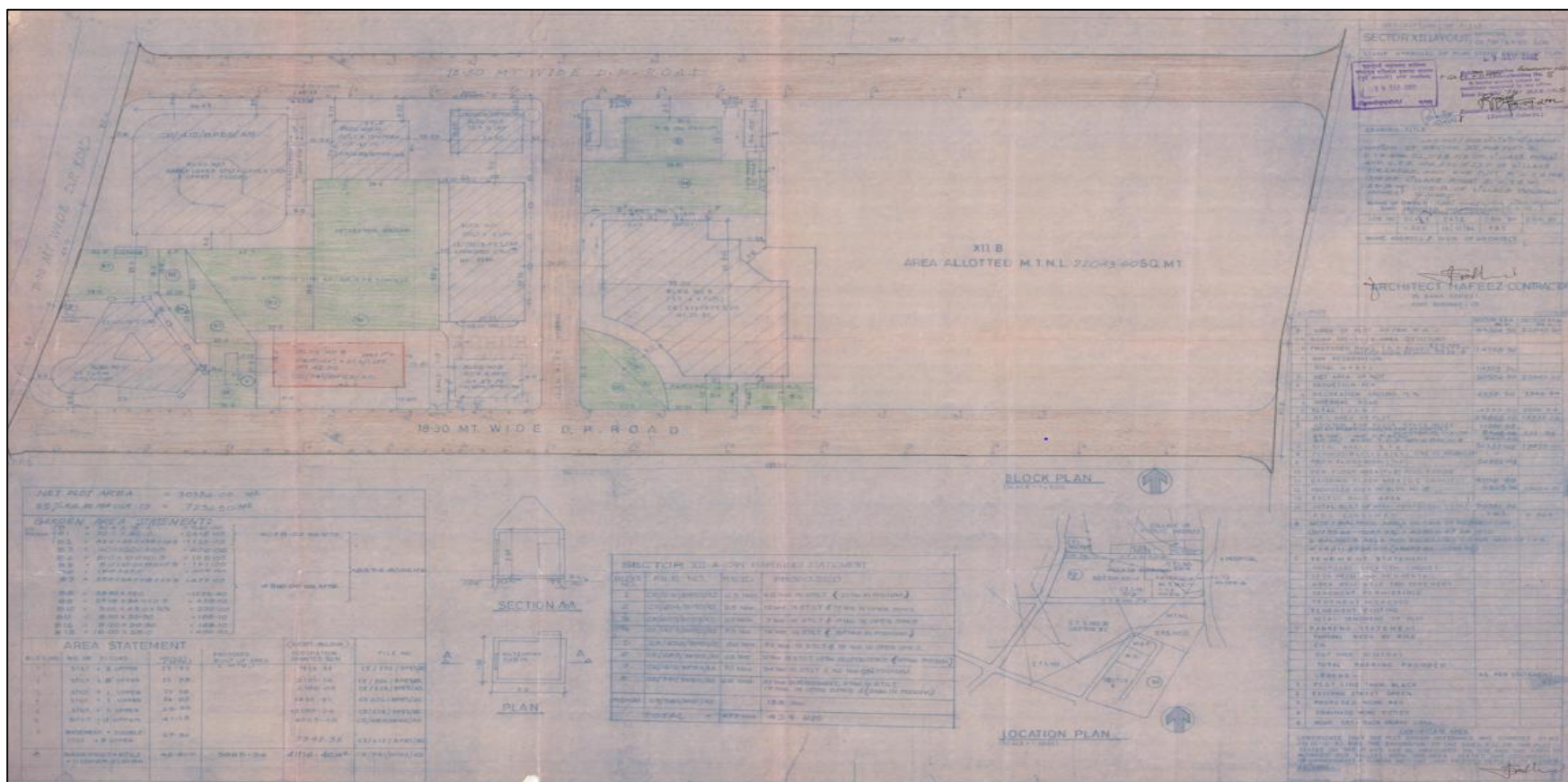


**Note:**

By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated August 8, 2019 and has approved the application for rectification of the aforesaid order by way of its order dated November 14, 2019. The scheme has been made effective from May 4, 2020 with the approval of the BoA dated March 5, 2020 and ROC, Mumbai dated May 4, 2020

### Annexure 3: Property Layout

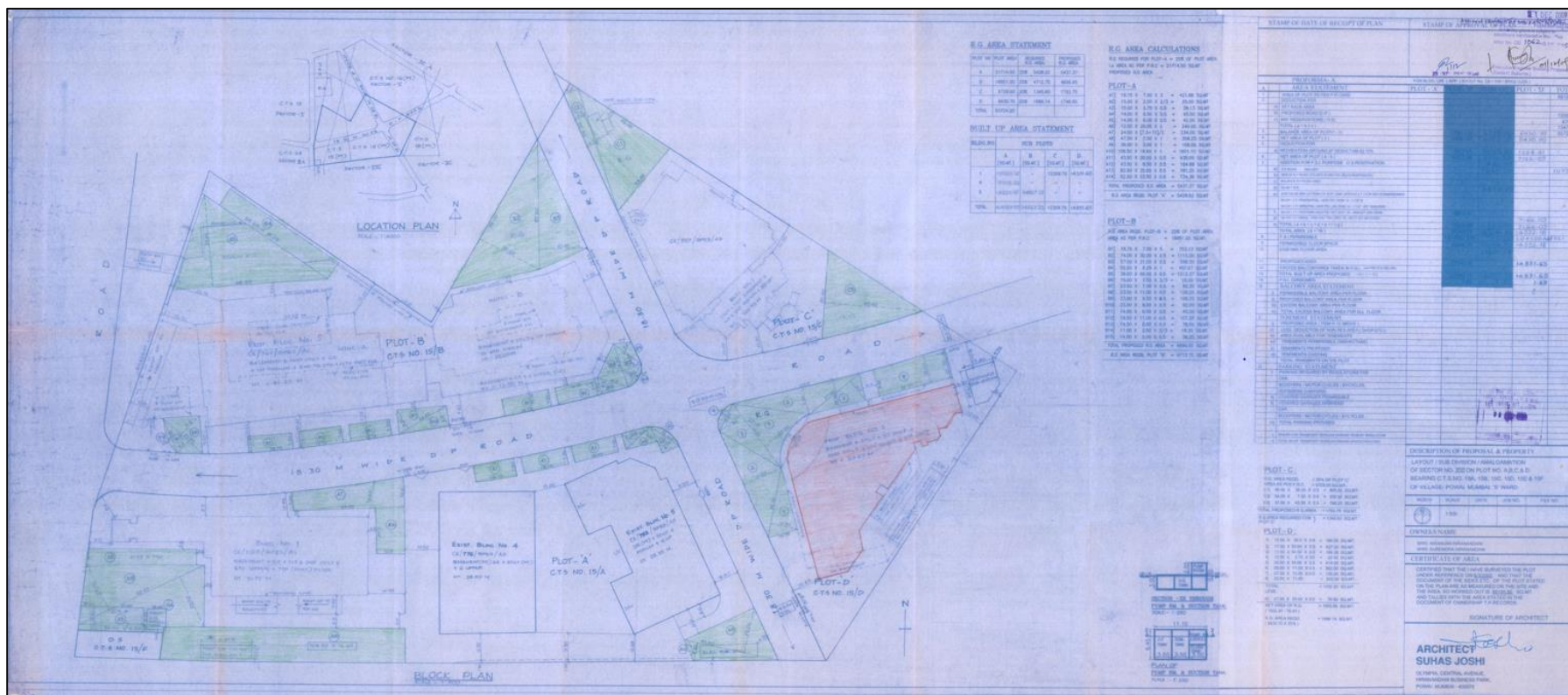
#### Alpha



Source: Client Information

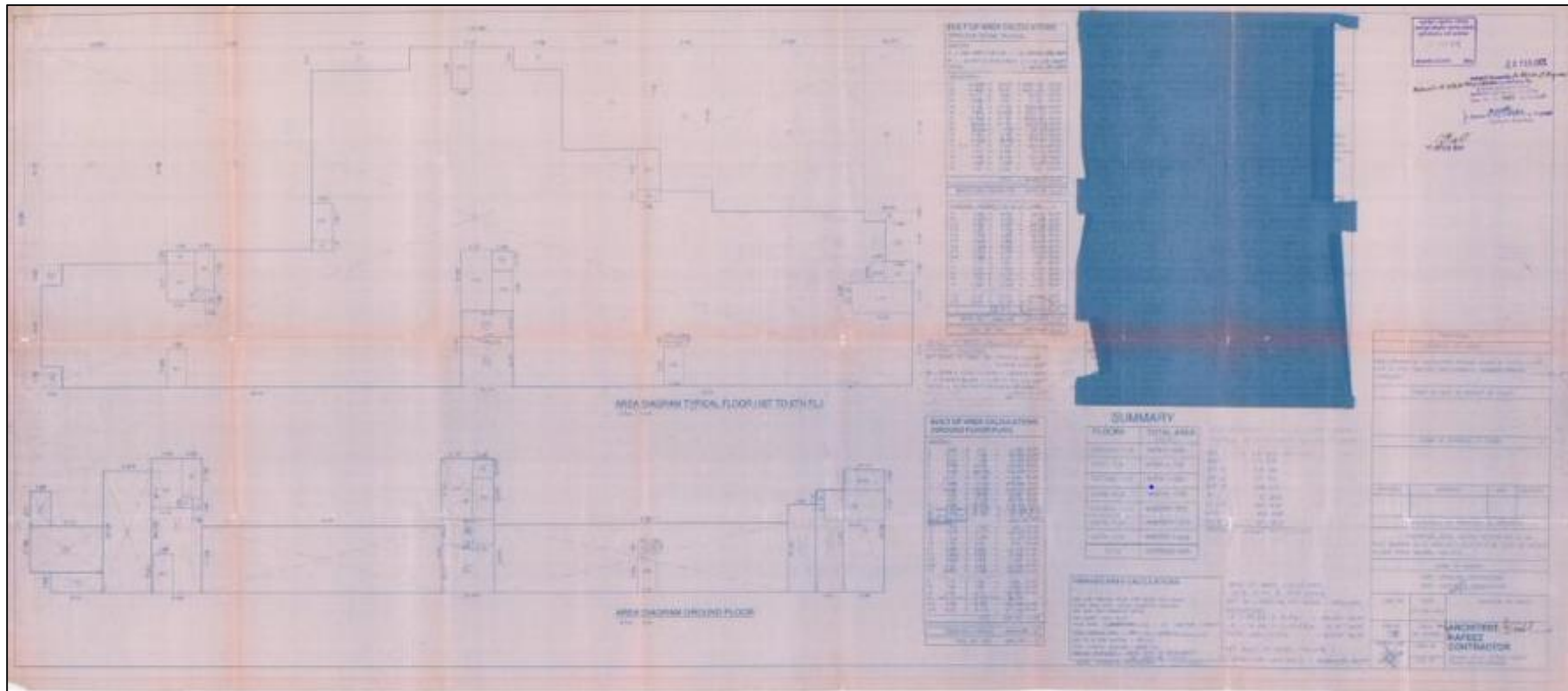


CRISIL HOUSE



Source: Client Information

## Delphi



*Source: Client Information*

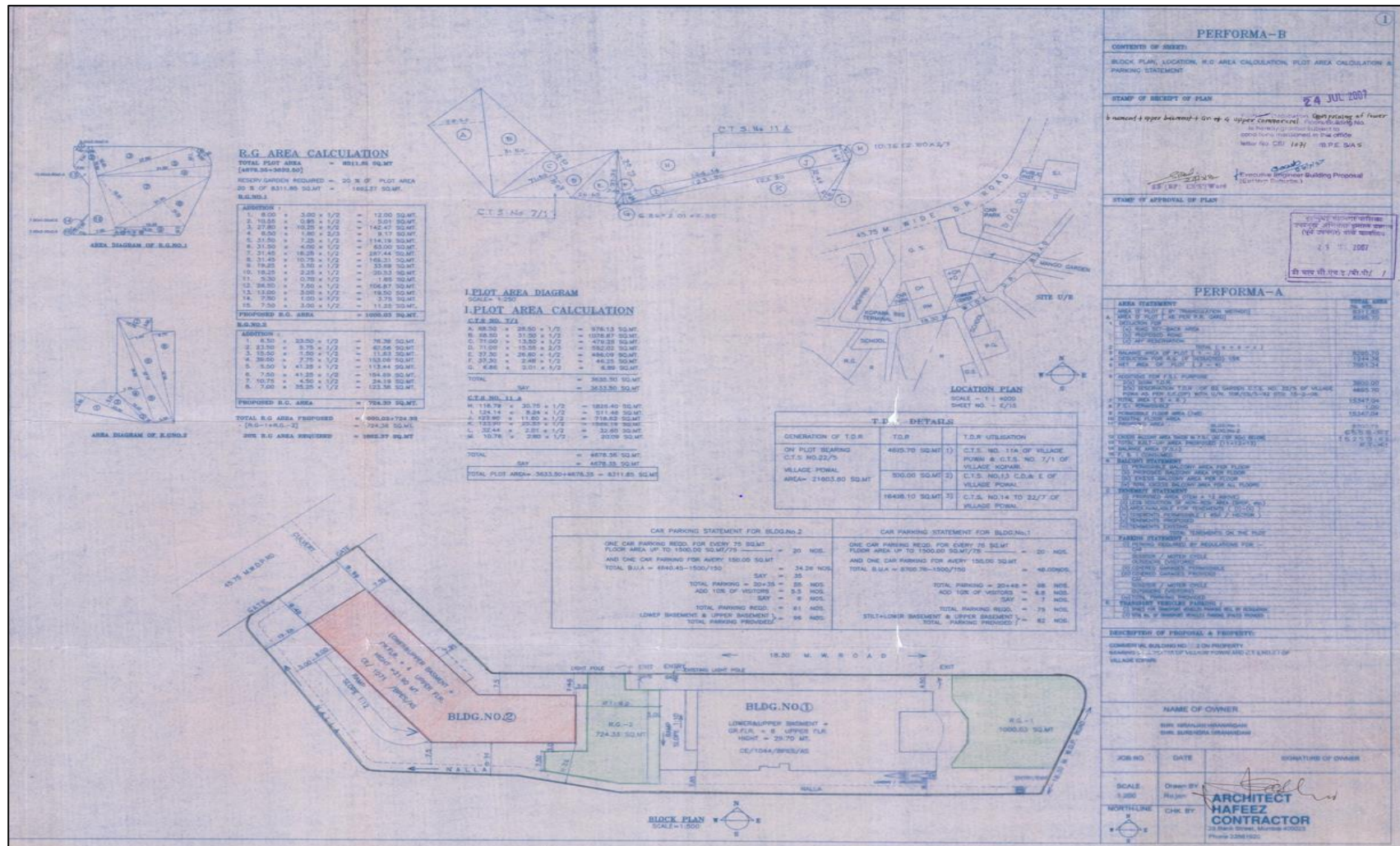
## Fairmont

*Source: Client Information*



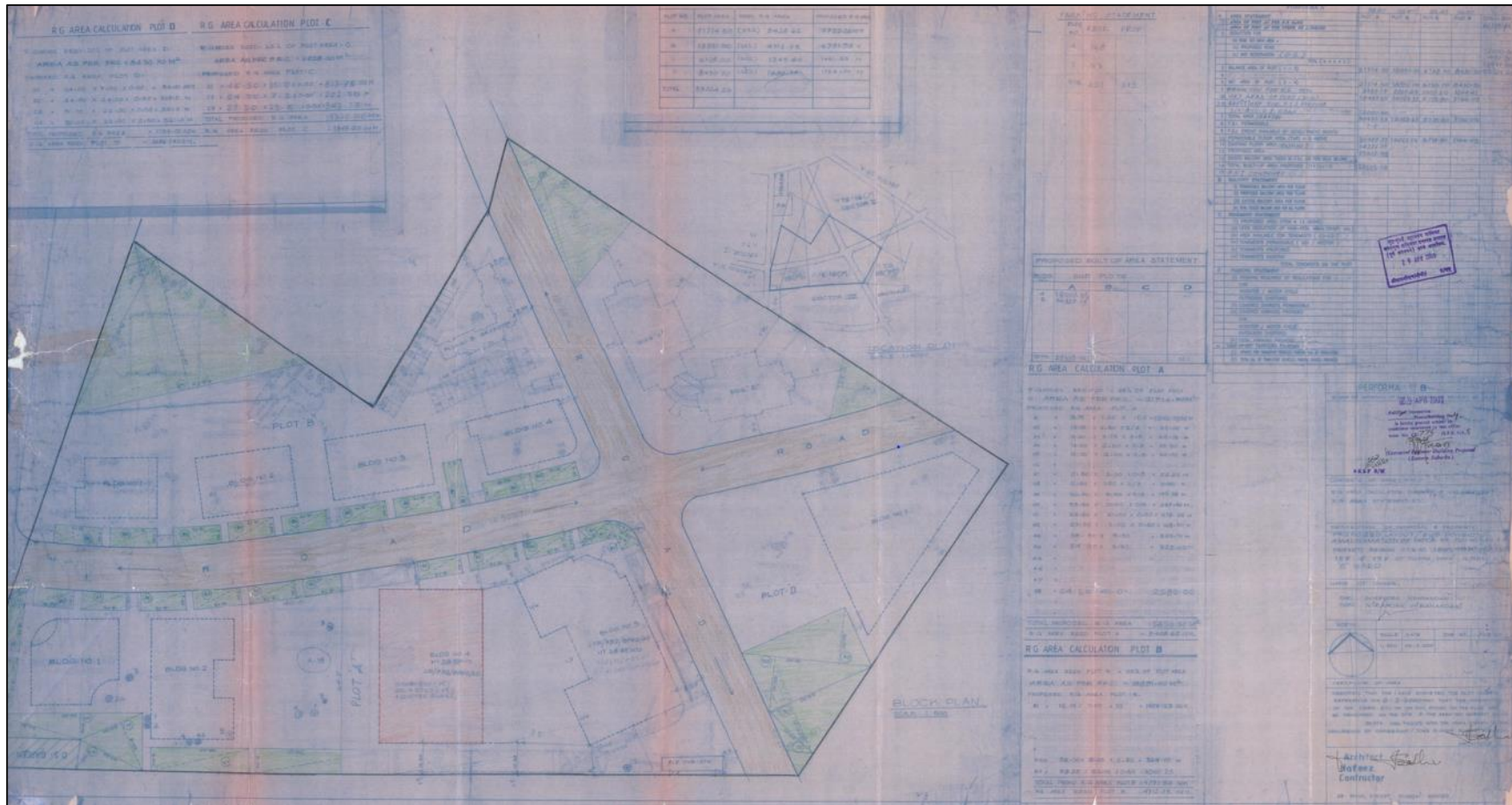


One Boulevard





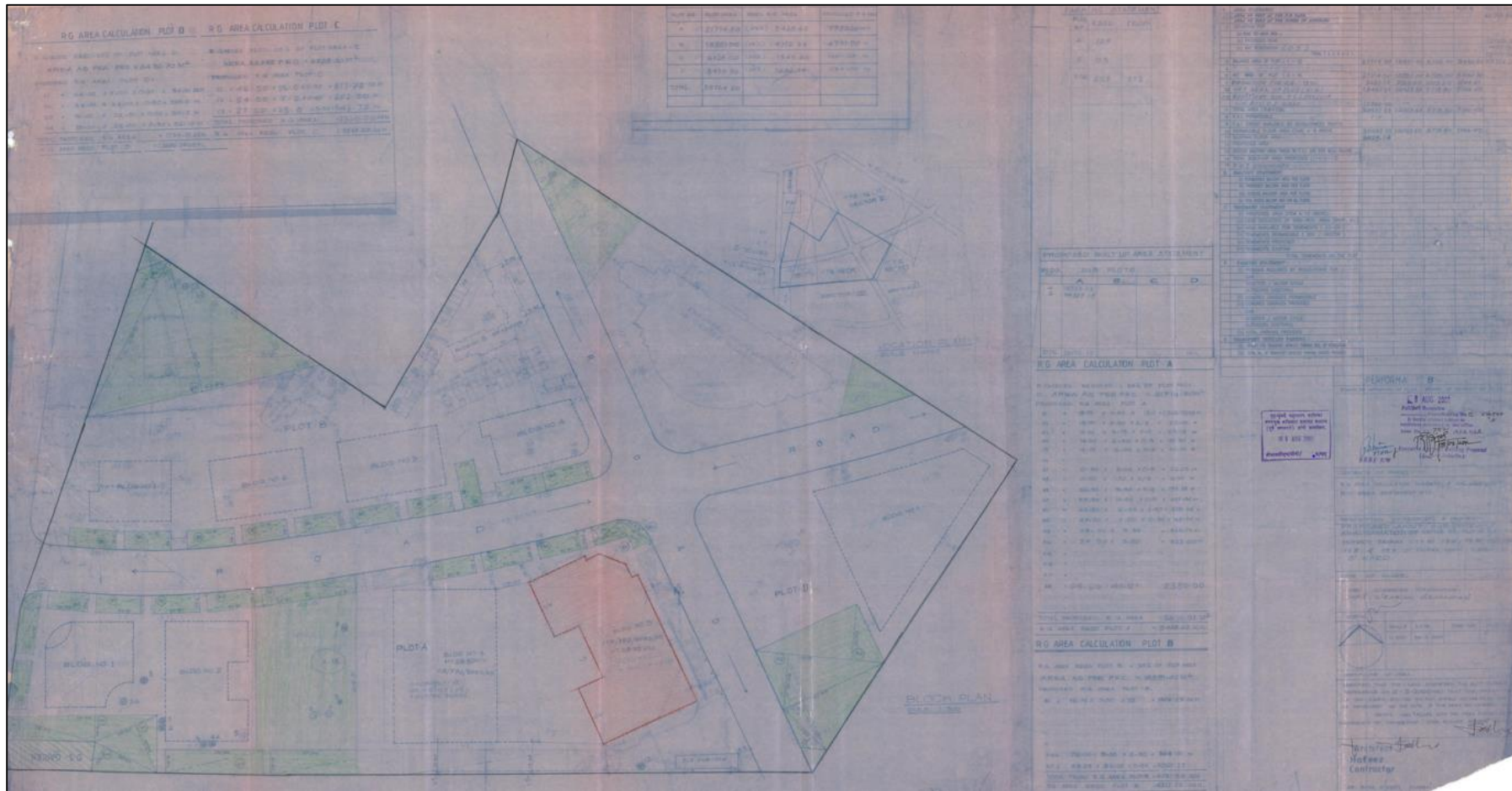
Prudential



Source: Client Information

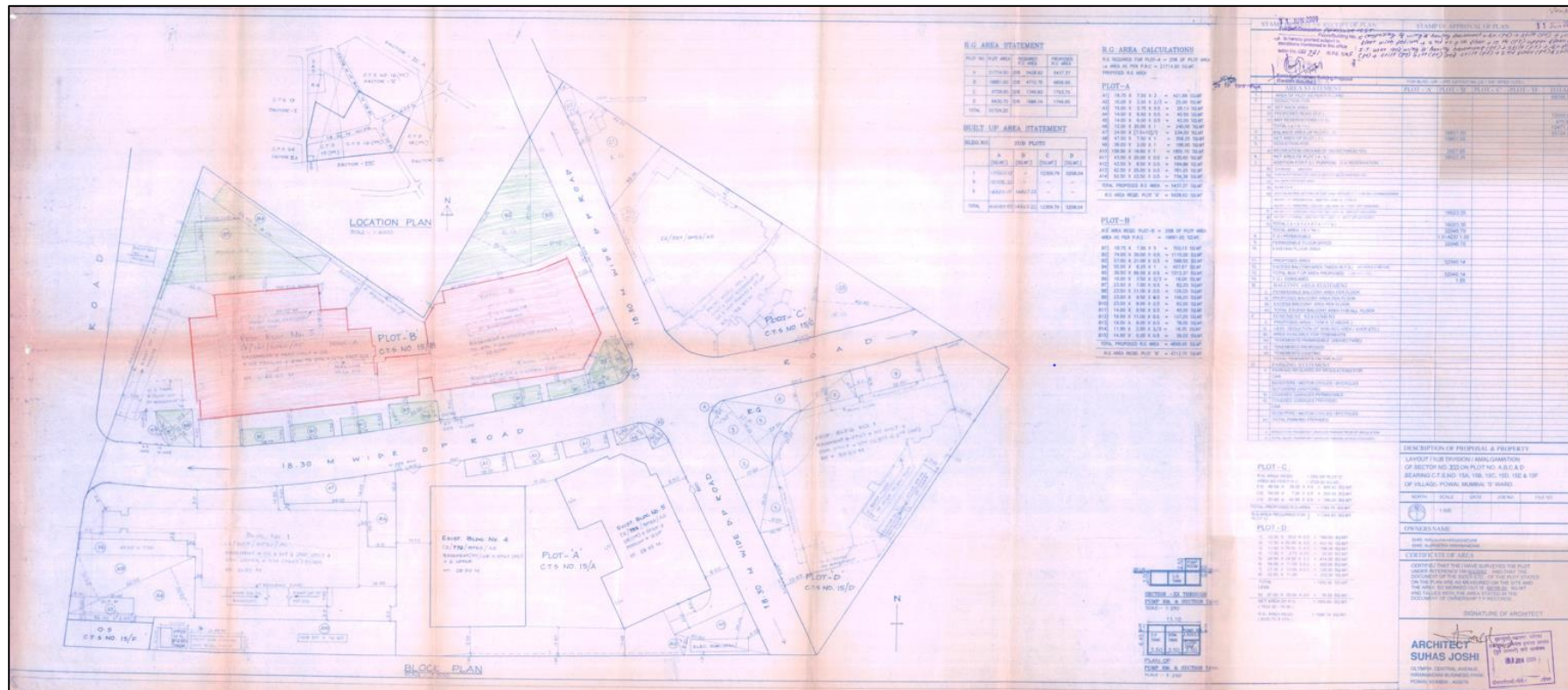


Spectra



Source: Client Information

## Ventura A



*Source: Client Information*



Valuation Report, Portfolio of properties owned by KPPL, Powai, Mumbai

**Annexure 4: Property Photographs**







**Annexure 5: Statement of Key assets**

Building Name	Alpha	Crisil House	Delphi	Fairmont	One Boulevard
HVAC	Split AC X1 Air Conditioner X10	Split AC X1	Split AC X1 Air Conditioner X21	Split AC X1	Air Handling Unit X1
Fire Fighting System	Main Fire Hydrant Motor X2 Jockey Fire Hydrant X1 Jockey Pump with Motor X1 Booster Pump with Motor X1	Main Fire Hydrant x1 Main Fire Sprinkler X1 Main Fire Sprinkler Jockey Pump X1 Diesel Pump X1 Booster Pump with Motor X1	Main Fire Hydrant x1 Main Fire Sprinkler X1 Main Fire Hydrant Jockey Pump X1 Main Fire Sprinkler Pump X1 Booster Pump with Motor X1	Main Fire Hydrant x1 Main Fire Sprinkler X1	Main Fire Hydrant x1 Main Fire Sprinkler X1 Jockey Pump with Motor X1 Booster Pump with Motor X1
Water Pump	Domestic Water Flushing X1 Water Pump X1	Domestic Water X1 Flushing Water Pump X1	Domestic Water X1 Flushing Water Pump X1	Domestic Water X1 Flushing Water Pump X1	Domestic Water X1 Flushing Water Pump X1
Water Treatment	NA	Pump X2 Softner X1 Sand Filter X1 Carbon Filter X1 Dosing Pump X1 Dosing Water Tank X1	NA	NA	NA
Sewage Treatment Plant	NA	NA	Sluge Recirculation Pump X1 Dosing Pump X1 Sewage Treatment Plant X1 Priming Tank X1	NA	NA
Fire Alarm System	Fire Alarm panel X1	NA	Fire Alarm Panel X2	Fire Alarm panel X1	Fire Alarm panel X1
Electrical Panel	Common Services X1 Changeover & Metering Panel X1 Fire Fighting Panel X2	Changeover Panel (Fire & Ventilaion X1 Common Services X1	Common Services X2 Changeover & Metering Panel X1 Changeover Panel - Fire Pump Panel X1	Common Services X1 ATS Panel X1	Common Services X1 Air Handling Unit X1
Air Conditioning System	NA	NA	NA	NA	AC X2
Elevator	Elevator - Passanger X4	Elevator Passanger X2	Elevator Passanger X3	Elevator Passanger X1 Elevator - Service X2	Elevator Passanger X1
E&M	NA	NA	Pump X3	NA	NA
UPS System	UPS X1	UPS X1	UPS X1	UPS X1	UPS X1
PA System	NA	NA	Amplifier X1	Booster Amplifier X1 Mixer Amplifier X1	NA
DG	NA	NA	DG x1	DG x1	DG x1
FAS System	NA	NA	NA	NA	Main Panel X1
Pump	NA	NA	NA	NA	Raw Sewage Pump X2
DOL Starter	NA	NA	NA	NA	DOL Starter X1
1.5 Ton Ac outdoor unit	NA	NA	NA	NA	NA
Inverter	NA	NA	NA	NA	NA
Plumbing System	NA	NA	NA	NA	NA

Source: Client Information



Building Name	Prudential	Spectra	Ventura A	Winchester
HVAC	Vrf System X8	Split AC X1 Air Conditioner X1	Air Conditioner X1	Air Conditioner X6
Fire Fighting System	Main Fire Hydrant x1 Booster Pump with Motor X1	Main Fire Hydrant x1 Main Fire Hydrant Jockey Pump X1 Booster Pump with Motor X1	Main Fire Hydrant x1 Main Fire Sprinkler X1 Jockey Pump with Motor X1 Booster Pump with Motor X1 Diesel Pump X1	Main Fire Hydrant x1 Main Fire Sprinkler X1 Jockey Pump with Motor X1 Booster Pump with Motor X1 Diesel Pump X1
Water Pump	Domestic Water X3 Flushing Water Pump X2	Domestic Water X2 Flushing Water Pump X2	Domestic Water X1 Flushing Water Pump X1 Raw Water Pump X1 Flushing Pump Water level Controler X1	Low Zone Flushing Pump Motor X3 Low Zone Flushing Pump Motor X3
Water Treatment	NA	NA	NA	NA
Sewage Treatment Plant	NA	NA	NA	NA
Fire Alarm System	Fire Alarm panel X1	Fire Alarm panel X1	NA	Fire Alarm panel X1
Electrical Panel	Common Services X2 Changeover & Metering Panel X1 ATS Panel X1	Common Services X1 Changeover & Metering Panel X1 ATS Panel X2	Common Services X2 Changeover & Metering Panel X1 Emergency Lighting X1 Changeover & Metering Panel(Fire) X1	Common Services X1 Common Lighting X2 Emergency Lighting X1
Air Conditioning System	NA	NA	NA	NA
Elevator	Elevator Passanger X1	Elevator Passanger X1	Elevator Passanger - High Rise X1 Elevator Passanger - Low Rise X1 Elevator - Service X1 Elevator - Studio - Nitin Desai X1 Elevator - Harris Bar & Sigri	Elevator Passanger X2 Elevator - Service X1 Elevator Supervisory Panel 1
E&M	NA	NA	NA	NA
UPS System	UPS X1	UPS X1	UPS X3	UPS BMS (01 KVA UPS) X1 UPS Common lighting (20KVA UPS) X1
PA System	NA	NA	NA	NA
DG	DG x1	DG x1	DG x1	DG x3
FAS System	NA	NA	NA	NA
Pump	NA	NA	NA	NA
DOL Starter	NA	NA	DOL Starter X1	NA
1.5 Ton Ac outdoor unit	NA	NA	split Ac for cooling purpose of PA rack x4	NA
Inverter	NA	NA	Inverter X1	NA
Plumbing System	NA	NA	NA	Hydropneumatic System

Source: Client Information



**Annexure 6: List of sanctions and approvals**

List of one-time sanctions/approvals which are obtained or pending

**Approvals Received**

- a) Building Plan Approvals for all existing buildings and amendments thereof
- b) Full Occupancy Certificates received for all the existing/operational buildings
- c) Sewerage Approvals for all buildings and the common campus area
- d) Approved Zoning plan
- e) Approved Master Plan
- f) Consent to Establish (CTE)
- g) Environment Clearance Certificate
- h) One-time Fire NOC
- i) Height clearance NOC from AAI
- j) SEZ Notification by The Gazette of India
- k) Forest NOC
- l) Consent to Operate (CTO)
- m) Fire Form B
- n) Architect's Certificate

## Annexure 7: Ready Reckoner Rate and Land Rate

### Alpha

Year 2024-2025

Selected District MumbaiSubUrban

Select Village Powai - Kurla

Search By ☐ Survey no. ☒ Location

Language English

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
SurveyNo	114/540A-Land: The following income in Powai Village (Projects like Lake Home, Mayfair etc.)	86300	215500	283200	340000	215500	Sq. meter
SurveyNo	114/541A-Plot: Slum area south of Adishankaracharya Marg.	90900	261550	300790	326940	261550	Sq. meter
SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no.

5, 13/C, 13/D, 13/E, 25

### Crisil House

Year 2024-2025

Selected District MumbaiSubUrban

Select Village Powai - Kurla

Search By ☐ Survey no. ☒ Location

Language English

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
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SurveyNo	114/541A-Plot: Slum area south of Adishankaracharya Marg.	90900	261550	300790	326940	261550	Sq. meter
SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no.

4, 7, 8, 9, 13A, 13B, 14, 15D, 15C, 15B, 15A, 16, 17, 20, 21, 22, 23

## Delphi

Year  Language

Selected District

Select Village

Search By ☐ Survey no. ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
SurveyNo	114/540A-Land: The following income in Powai Village (Projects like Lake Home, Mayfair etc.)	86300	215500	283200	340000	215500	Sq. meter
SurveyNo	114/541A-Plot: Slum area south of Adishankaracharya Marg.	90900	261550	300790	326940	261550	Sq. meter
SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no.

## Fairmont

Year  Language

Selected District

Select Village

Search By ☐ Survey no. ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
SurveyNo	114/540A-Land: The following income in Powai Village (Projects like Lake Home, Mayfair etc.)	86300	215500	283200	340000	215500	Sq. meter
SurveyNo	114/541A-Plot: Slum area south of Adishankaracharya Marg.	90900	261550	300790	326940	261550	Sq. meter
SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no.

## Winchester

Year: 2024-2025 Language: English

Selected District: MumbaiSubUrban

Select Village: Powai - Kurla

Search By: ☐ Survey no. ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/541C-Plot: Revenue of Navikas Division of Village Powai.	80600	233820	259580	285890	233820	Sq. meter
SurveyNo	114/541B-1 - Income exceeding 5 hectares.	100370	291830	306240	339040	275910	Sq. meter
SurveyNo	114/541C-1 - Income exceeding 5 hectares.	80600	238150	259580	285890	233820	Sq. meter

1 2

Survey no. 28/A

## Prudential

Year: 2024-2025 Language: English

Selected District: MumbaiSubUrban

Select Village: Powai - Kurla

Search By: ☐ Survey no. ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
SurveyNo	114/540A-Land: The following income in Powai Village (Projects like Lake Home, Mayfair etc.)	86300	215500	283200	340000	215500	Sq. meter
SurveyNo	114/541A-Plot: Slum area south of Adishankaracharya Marg.	90900	261550	300790	326940	261550	Sq. meter
SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no. 4, 7, 8, 9, 13A, 13B, 14, 15D, 15C, 15B, 15A, 16, 17, 20, 21, 22, 23

## Spectra

Year 2024-2025

Selected District MumbaiSubUrban

Select Village Powai - Kurla

Search By ☐ Survey no. ☒ Location

Language English

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
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SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no.

4, 7, 8, 9, 13A, 13B, 14, 15D, 15C, 15B, 15A, 16, 17, 20, 21, 22, 23

## One Boulevard

Year 2024-2025

Selected District MumbaiSubUrban

Select Village Powai - Kurla

Search By ☐ Survey no. ☒ Location

Language English

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
SurveyNo	114/540A-Land: The following income in Powai Village (Projects like Lake Home, Mayfair etc.)	86300	215500	283200	340000	215500	Sq. meter
SurveyNo	114/541A-Plot: Slum area south of Adishankaracharya Marg.	90900	261550	300790	326940	261550	Sq. meter
SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no.

4, 7, 8, 9, 13A, 13B, 14, 15D, 15C, 15B, 15A, 16, 17, 20, 21, 22, 23

**Ventura A**

Year 2024-2025

Language English

Selected District MumbaiSubUrban

Select Village Powai - Kurla

Search By ☐ Survey no. ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
SurveyNo	114/540 -Land: All income in Powai Village (except income in Section No. 114/541)	88300	208700	245400	270100	208700	Sq. meter
SurveyNo	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	Sq. meter
SurveyNo	114/540A-Land: The following income in Powai Village (Projects like Lake Home, Mayfair etc.)	86300	215500	283200	340000	215500	Sq. meter
SurveyNo	114/541A-Plot: Slum area south of Adishankaracharya Marg.	90900	261550	300790	326940	261550	Sq. meter
SurveyNo	114/541B-Plot: Income from 1st Patta under development south of Adishankaracharya Marg.	102750	287840	331020	359800	287840	Sq. meter

1 2

Survey no. 4 , 7 , 8 , 9 , 13A , 13B , 14 , 15D , 15C , 15B , 15A , 16 , 17 , 20 , 21 , 22 , 23

## **Annexure 8: Caveats & Limitations**

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on independent market report prepared by Cushman and Wakefield and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the forecasts on demand, supply and pricing as undertaken by Cushman and Wakefield as part of an independent market/ industry research and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on the independent market report prepared by Cushman and Wakefield and his own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated, and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.



4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum not exceeding the total fees paid for each instruction accepted. Unless specifically mentioned otherwise in the main report. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.





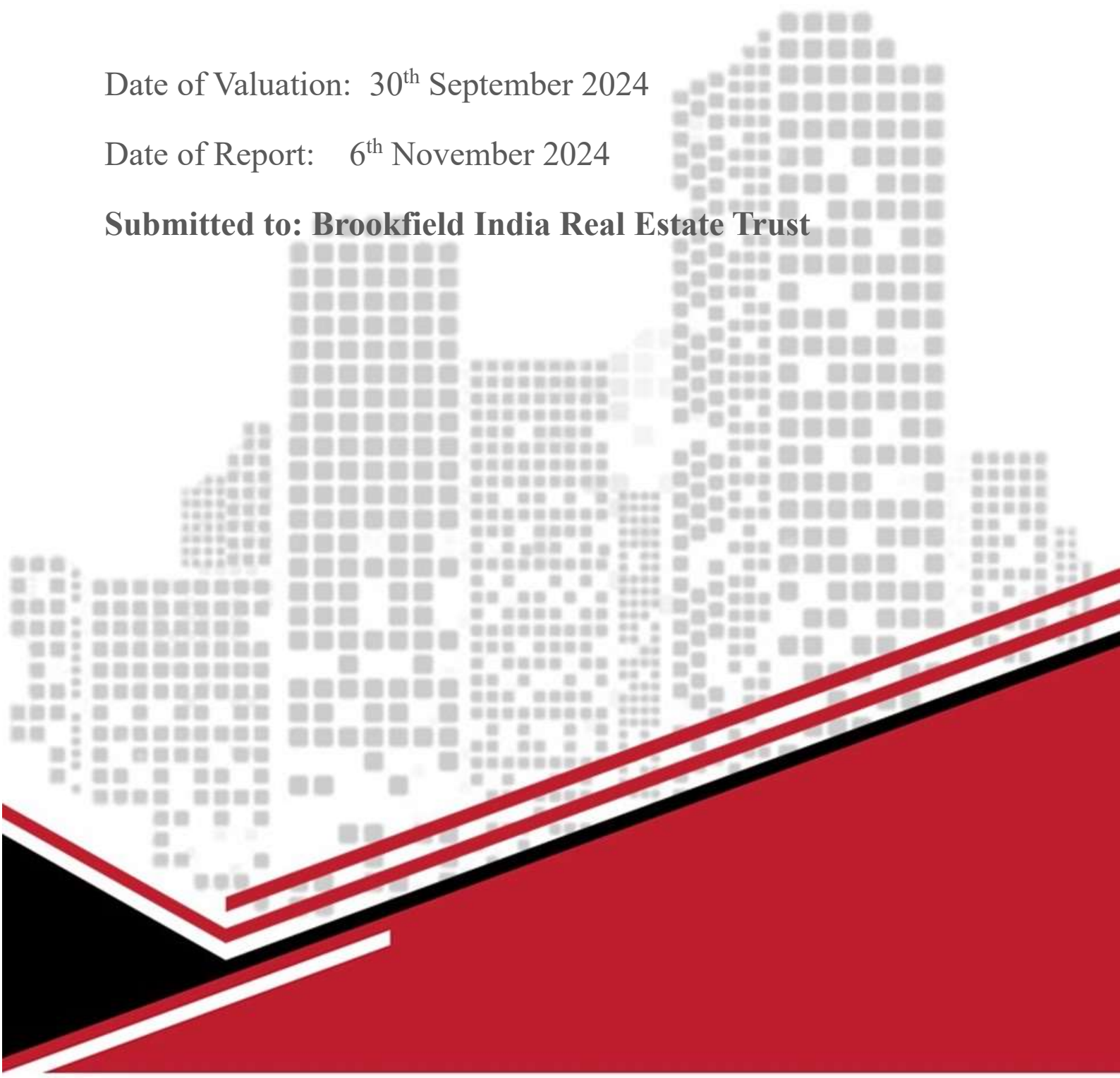
# VALUATION REPORT

## Candor TechSpace K1, Rajarhat, Kolkata

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**



## **Disclaimer**

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> of August 2024 to Letter of Engagement ("LOE") dated 23rd December 2022 and addendum to LOE dated 22<sup>nd</sup> September 2023, without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23rd December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

<b>Candor TechSpace IT/ITeS SEZ (K1), Rajarhat, Kolkata</b>		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	 <p>Tower G3 of Subject Property</p>
<b>Site Visit Date:</b>	24 <sup>th</sup> April 2024. (Subsequently no site visit has been conducted)	
<b>Valuation Methodology:</b>	Discounted Cash Flow using Rental Reversion	
<b>Valuation Purpose:</b>	Disclosure of valuation of assets forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014	
<b>Location / Situation:</b>	<p>Candor Techspace K1 (herein after referred to as K1 and/ or Subject Property) is located at Plot No. 1, DH Street no. 316, New Town, Rajarhat, North 24 Parganas, West Bengal, one of the established office destinations of Kolkata.</p> <p>The Subject Property is accessible via two roads viz. Major Arterial Road on West and Street No. 0368 on North.</p> <p>It is well connected with other parts of the city through Major Arterial Road (East-West) on West and Street No. 0368 on North. It is located in a micro market which has seen a shift from the central business district of Kolkata. The Subject Property is well connected with other parts of the city through roads, and a metro rail project is also proposed.</p> <p>The Subject Property lies in close proximity to various office developments such as DLF IT Park 1, DLF IT Park 2, Synthesis, Ambuja Ecospace, and Mani Casadona, etc.</p>	 <p>Internal View of Subject Property</p>
<b>Description:</b>	<p>K1 constitutes Completed/ Operational (with OC received), Under construction along with future development buildings. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower A1, A2, A3, B1, B2, B3, Buildings (12) C1*, C2*, C3*, G1, G2 &amp; G3</li> <li>Under Construction (1) : Tower F</li> <li>Future development (4) : Tower D1, D2, D3 &amp; Retail</li> </ul> <p>The completed buildings collectively admeasure 31,59,922 sq. ft. of leasable area. Currently the committed occupancy in the completed building is 88.65%** and ***. As per the information provided by the Client 6,47,177 sq. ft. of leasable area has been converted into Non SEZ area.</p> <p>Tower F of the Subject Property is an under construction commercial development with a potential leasable area of 5,75,580 sq. ft. The same is expected to be completed by Q1 FY 2026–27. As on the date of Inspection, columns are erected, and slab work of individual floors are under-progress.</p>	 <p>Tower G3 &amp; C2 of Subject Property</p>  <p>Internal View of Subject Property</p>

	<p>Future Developments include IT/ITeS development having potential leasable area of 5,84,916 sq. ft. and a Mixed-use development having leasable area of 15,23,492 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed.</p> <p>The IT/ITeS development is expected to be completed by Q2 FY 2030–31 and mixed-use development is expected to be completed by Q3 FY 2030–31.</p> <p>The Subject Property offers interactive spaces and other amenities including cafeteria, creche, convenience store, gymnasium, medical wellness centre, electrical vehicle charging station etc.</p>	
<b>Total Area:</b>	<p>Total Land Area: 48.383 Acres</p> <p>Completed Leasable Area: 31,59,922 sq. ft.</p> <p>Under Construction Leasable Area: 5,75,580 sq. ft.</p> <p>Future Development Leasable Area: 21,08,408 sq. ft.</p> <p>Total Leasable Area: 58,43,910 sq. ft.</p>	

Source: Architect's Certificate (Dated: 30<sup>th</sup> of October), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information.

\*Towers C1, C2 and C3 have partial occupancy certificates. Full occupancy certificates will be obtained once the entire project is completed. These buildings are fit for occupation as Information Technology and IT enabled services business (use group)/ Business building for the portion, which has received the occupancy certificates.

\*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.

\*\*\* The short-term lease signed with HDFC Bank for 2,80,982 sq. ft. is an incubation space expiring on 28<sup>th</sup> June 2025 as per the information provided by the client, therefore for the calculation of committed occupancy same has not been considered. If the same area is considered, then committed occupancy will be 97.54%.

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed Building, Under construction and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 25,155 Million	Indian Rupees Twenty-Five Billion One Hundred and Fifty-Five Million Only
Under construction* / Future Development	30 <sup>th</sup> September 2024	INR 4,719 Million	Indian Rupees Four Billion Seven Hundred and Nineteen Million Only

*\*Includes 0.56 msf of commercial cum retail development which is under construction, wherein Gurgaon Infospace Limited (GIL) shall pay Candor Techspace K1 a sum of INR 1,000 million (inclusive of GST) (out of which INR 797 million has already been received) in instalments and be entitled to receive 28% of revenue comprising rentals, CAM margins, parking and any other revenue.*

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report

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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Property:** Candor Techspace K1, Rajarhat, Kolkata

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Kolkata (hereinafter referred to as “Subject Property” and/or “Candor Techspace K1”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha Vijay is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred as the “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate and Infrastructure

Development Practice where she was involved in carrying out financial appraisal and strategies for some of the State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. L. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. L. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a Valuer for the subject properties/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

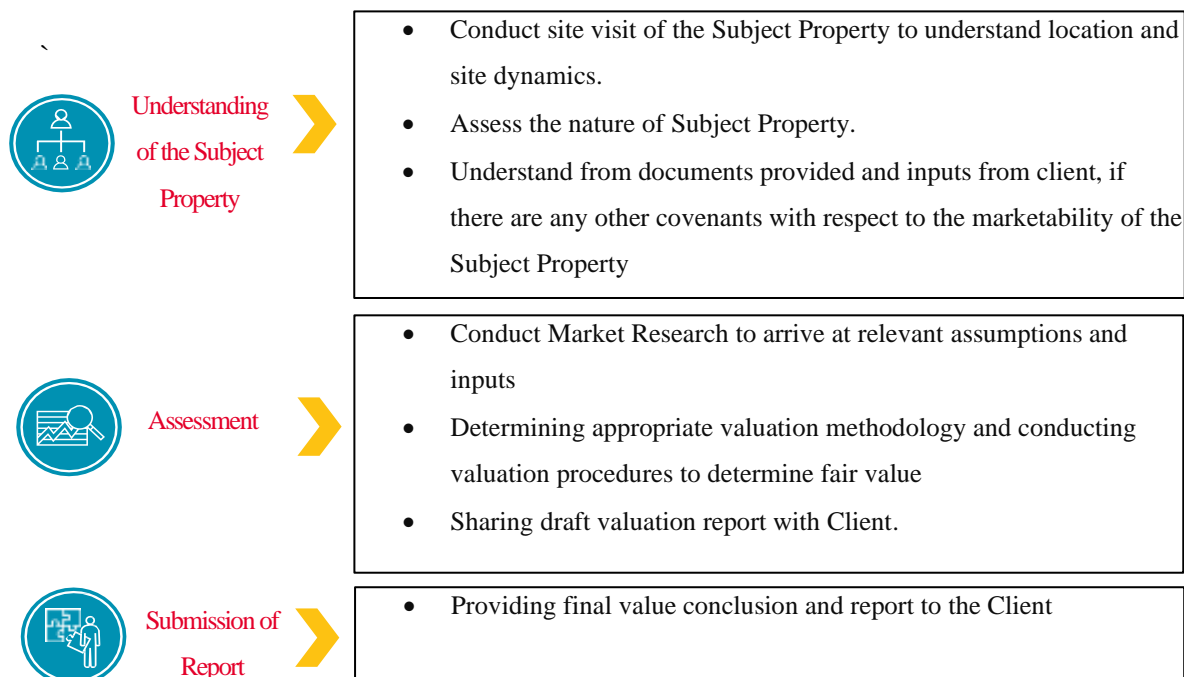
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as *‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’*

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same has been derived by the following approach:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants, typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the Subject Property.

*For the purpose of valuation of the Subject Property, Income Approach – Discounted Cash Flow Method using Rental Reversion has been adopted.*

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject properties is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## **8 Inspection**

The Subject Property was inspected on 24<sup>th</sup> April 2024 by the Valuer (Subsequently no site visit has been conducted). No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the Valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another Valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Subject Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of his name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by her due to such usage other than for the purpose as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided,



an indemnification agreement in his favor, reasonably satisfactory to her for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement to **Brookprop Management Services Private Limited (“Manager”)**, the **Brookfield India REIT (“Brookfield REIT”)** and auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), credit rating agencies and Axis Trustee Services Limited, the trustee to the **Brookfield REIT (Trustee”)** for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers. The Valuer, however, would extend no liability to such reliant parties.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation (“Reliant Party”) and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

## 14 Disclosure and Publication

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with

SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

## **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under the LOE including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate the LOE without any liability or obligation on her part.

Such termination of the LOE shall not in any way prejudice the rights and obligations (including payment for the services delivered under the LOE) already accrued to the Valuer, prior to such termination.



## **B      Kolkata City Overview**

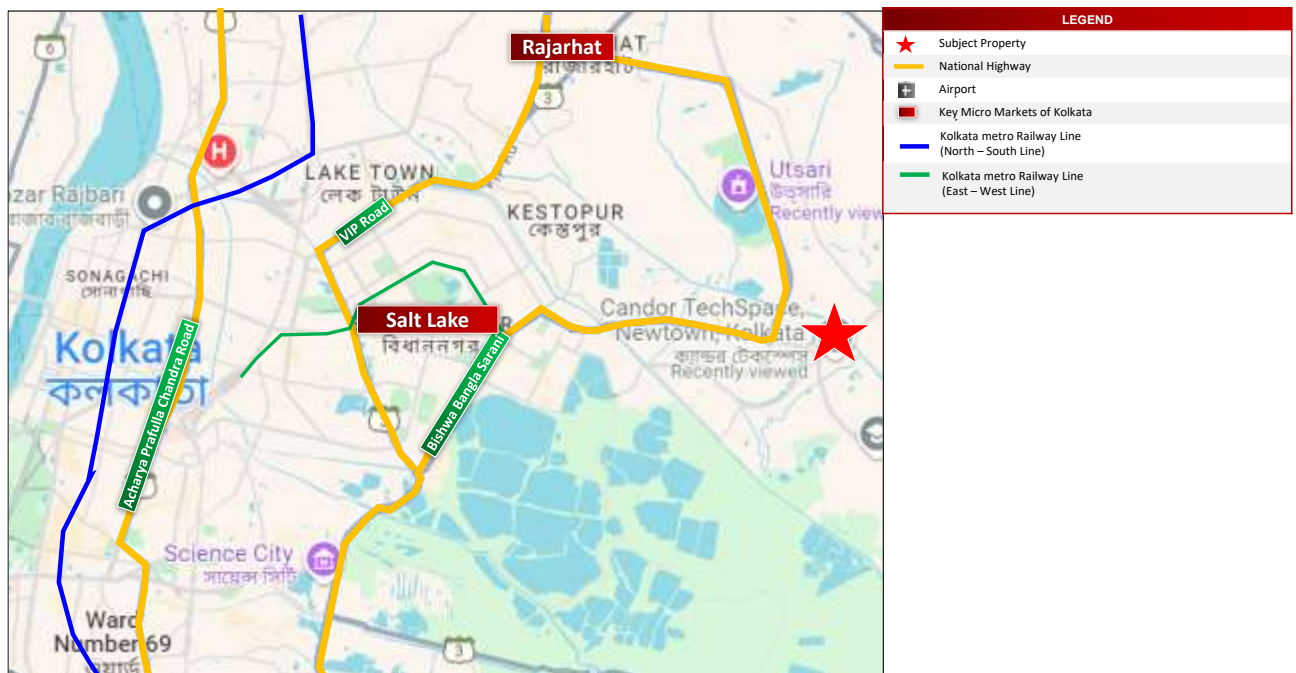


For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market report.

## 1 **Kolkata City Overview**

Kolkata is the political and economic capital of West Bengal. It is the largest city in Eastern India, stretching across 1,480 sq. km. (205 sq. km. under Kolkata Municipal Corporation or KMC). Further, it is the seventh largest city of India in terms of area and population. The urban agglomeration of Kolkata is called Kolkata Metropolitan Area or KMA which stretches up to Kalyani Bansberia in the North, Barasat in the East, Baruipur in South-East and Pujali Uluberia in South-West.

The map below highlights the key office micro markets of Kolkata illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in the city.



*CBD – Central Business District / SBD – Suburban Business District / PBD – Peripheral Business District*

*Source: Cushman and Wakefield Research*

*(Map not to scale)*



The table below highlights the key statistics of Kolkata's office micro markets:

Particulars	Kolkata*	^Rajarhat (Competitive REIT Micro Market)
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	19.16	9.48
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	15.51	8.26
<b>Current Vacancy 9M CY 2024 (%)</b>	19.0%	12.9%
<b>Avg. Annual Absorption - 2022 – 9M CY 2024 (msf)</b>	0.95	0.31
<b>Future Supply – Q4 CY 2024 E – 2026E (msf)</b>	0.76	-
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	43	42

Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table..
2. \*Brookfield India REIT's city market for the Subject Property.
3. ^Competitive REIT's micro market within Brookfield India REIT's city market for Subject Property.
4. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are excluding the non-IT buildings and IT buildings which are less than 1 lakh square feet in area and applying certain other criteria.
5. Vacancy and Net Absorption numbers are computed on the relevant stock.
6. The future supply estimates are based on analysis of proposed and under construction buildings.
7. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
8. Rentals presented above are weighted average values on completed stock.

The Central Business District (CBD) of Kolkata office market constitutes Park Street, Camac Street, AJC Bose Road and Theatre Road. These micro markets are predominantly dotted with sub-investment grade structures and heritage buildings and have witnessed new supply of ~1.0 msf in the last three years. The Secondary Business District (SBD) of Kolkata office market constitutes Park Circus Connector and Rashbehari Avenue Connector. SBD got developed with the saturation of developable area in CBD. These micro markets constitute a mix of investment and sub-investment grade structures. The Peripheral Business District (PBD) of Kolkata office market constitutes Rajarhat and Salt Lake. The micro markets evolved as the city limits grew and requirement for quality office spaces emerged. The micro markets are dotted with modern infrastructure and amenities. The micro markets primarily constitute investment grade structures. It also houses campus developments for TCS, Cognizant etc.

The residential zones of Kolkata can be defined as a) Central Zone, which is the traditional city hub of Kolkata and presently faces saturation in supply. The residents of this zone typically fall under the High-Income Group (HIG) category. b) North Zone – areas closer to the Central zone are well developed and cater primarily to middle- and high-income group population, the same dwindles as we move further North which is presently a hub for affordable housing projects. c) East Zone is the strongest growth vector of the city. This includes Rajarhat (New Town), Salt Lake, Ultadanga, Kankurgachi, Lake Town, VIP Road, Maniktala and Narkeldanga. On the backdrop of significant



greenfield residential developments, this area ranks highest in terms of the potential real estate activity and is billed as the future of Kolkata. The key growth driver for this region is its proximity to Netaji Subhash Chandra Bose International Airport. d) South Zone of the city comprises of diverse areas – premium ones like Alipore, Ballygunge, Rashbehari, Gariahat and Tollygunge and affordable housing areas like Garia and Narendrapur in South-East and Maheshtala, Behala and Joka in the South-West.

The retail landscaping of Kolkata offers a mix of high street and retail mall formats. Park Street, Camac Street, Lindsay Street, Theatre Road, Elgin Road, Shyambazar and Hatibagan are few of the prominent high streets of Kolkata. East and South Kolkata houses few of the prominent retail malls viz. City Centre, Axis Mall, DLF Galleria, South City Mall, Metropolis Mall, Acropolis Mall etc.

The major growth drivers for office market in Kolkata are:

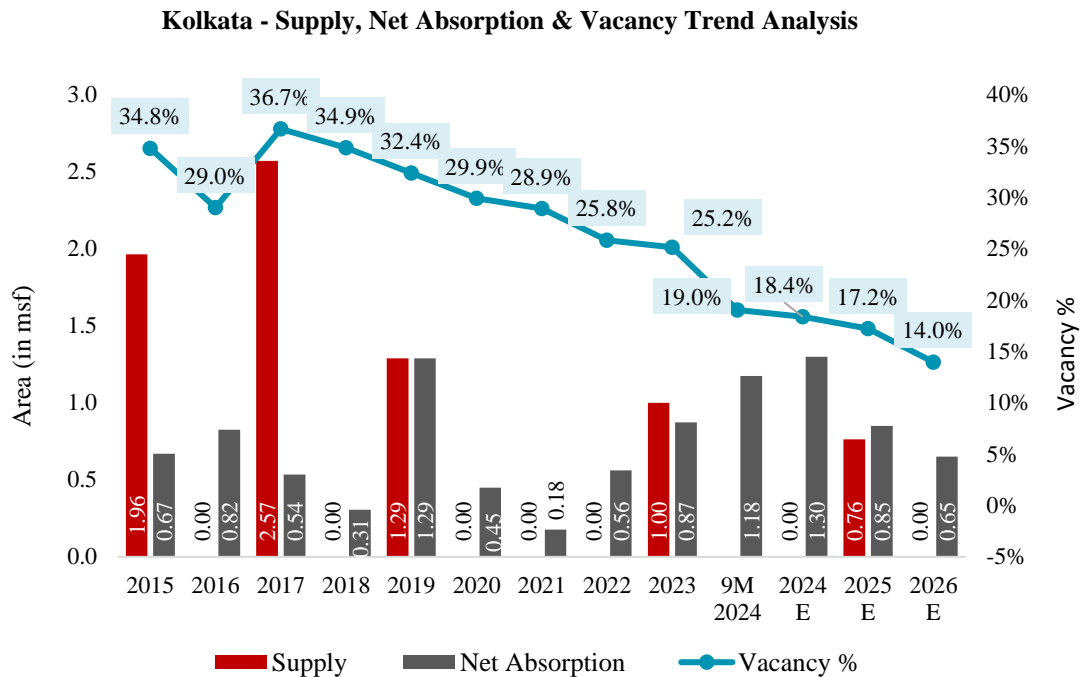
- **Robust metro network underway for commute within Kolkata:** Kolkata was the first city to have metro railways in India in 1984, covering a stretch of 12 stations from Dum Dum to Tollygunge. The expansion of metro railway network would enhance connectivity viz. reducing the commute time significantly.
- **Presence of road, rail, air and water connectivity with the rest of India:** Kolkata has the strategic benefit of four-tier connectivity via roadways, railways, airways and waterways since pre-independence. In case of railway network, there are 12 Eastern Lines, 3 South-Eastern Lines, 1 Circular Line, 4 South Lines and 9 Chord lines. The major stations are Howrah Railway Station and Sealdah Railway Station. Kolkata is well connected across the city as well as with the entire country via various National Highways and water bridges. Kolkata is also a major port and together with the Haldia dock systems, the Kolkata Port Trust has been amongst the busiest in the country. Kolkata Port serves regular passenger traffic to Port Blair from the Netaji Subhas Docks. Netaji Subhash Chandra Bose Airport is an international airport operational since the early 1900s. Spread across 2,460 acres, it is the largest hub of air traffic for the Eastern corridor of the country.
- **City limits expanding to offer low occupation cost:** Kolkata has come a long way from an unstructured market to an organized one. Salt Lake Sector 5, New Town and Rajarhat have captured a huge part of the office market due to availability of well-maintained Grade A and Grade B office developments at competitive rates.
- **Presence of prominent educational institutes viz. Indian Statistical Institute, IIM, IIST, Jadavpur University etc.:** With the presence of prestigious institutions like Presidency College, Jadavpur University, IIM, ISI, Shibpur University, etc., the city, year-on-year delivers fresh graduates to fulfil the manpower requirement of various industries across the nation. Further, West Bengal has one of the biggest manpower pools in India with resources available at all levels of the hierarchy.



- **Availability of resources at a lower cost:** Although Kolkata is a metro city having all amenities as are found in the other metros of India, the living cost in Kolkata is comparatively less. Thus, the cost of hiring is also lower as compared to that of other metropolitan cities.
- **Being the only office market in Eastern India:** Kolkata is the only active office market in Eastern India. Thus, it houses the zonal offices of all national players in the country and with the expansion of the city towards Rajarhat and New Town, companies are also considering branching out further due to the availability of Grade A facilities at comparatively cheaper rentals. However, in the recent past Bhubaneswar, Orissa is gaining some focus in the office market.

## 1.1 Supply, Absorption & Vacancy

The supply, absorption & vacancy trend for Kolkata is as follows:



Source: Cushman and Wakefield Research

Notes:

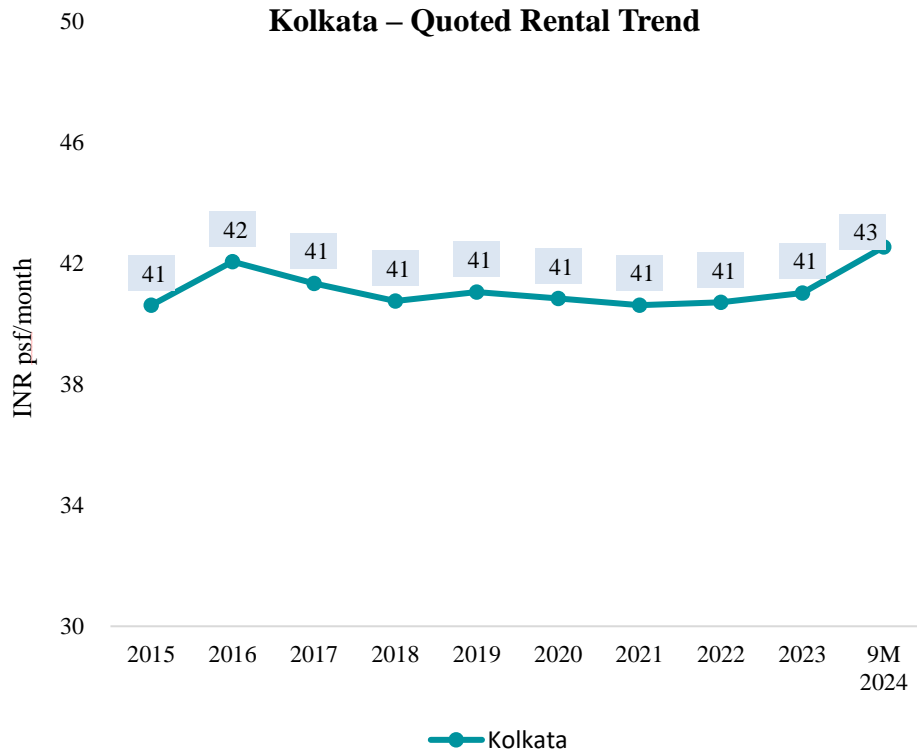
1. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy, and estimated supply.
2. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
3. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are excluding the non-IT buildings and IT buildings which are less than 1 lakh square feet in area and applying certain other criteria.

Kolkata witnessed a positive annual average net absorption of approximately of 0.95 msf from CY 2022 to 9M CY 2024. Kolkata is the city of large space take ups by IT/ITeS occupiers (which is also evident by the built to suit supply / campus developments in the city) and has presence of occupiers like Wipro, Microsoft, Tech Mahindra, Cognizant, Genpact, Capgemini, ISI etc. Large developments by Brookfield, Emami and Ecospace are being planned in the city. This is expected to boost the real estate growth in the city.

The city-market vacancy rate is around 19.0% as of 9M CY 2024. However, with sustained occupier interest and limited future supply till 2026E the vacancy is anticipated to improve or remain stable.

## 1.2 Rental Trend Analysis

The rental trend for Kolkata is as follows:



Source: Cushman and Wakefield Research

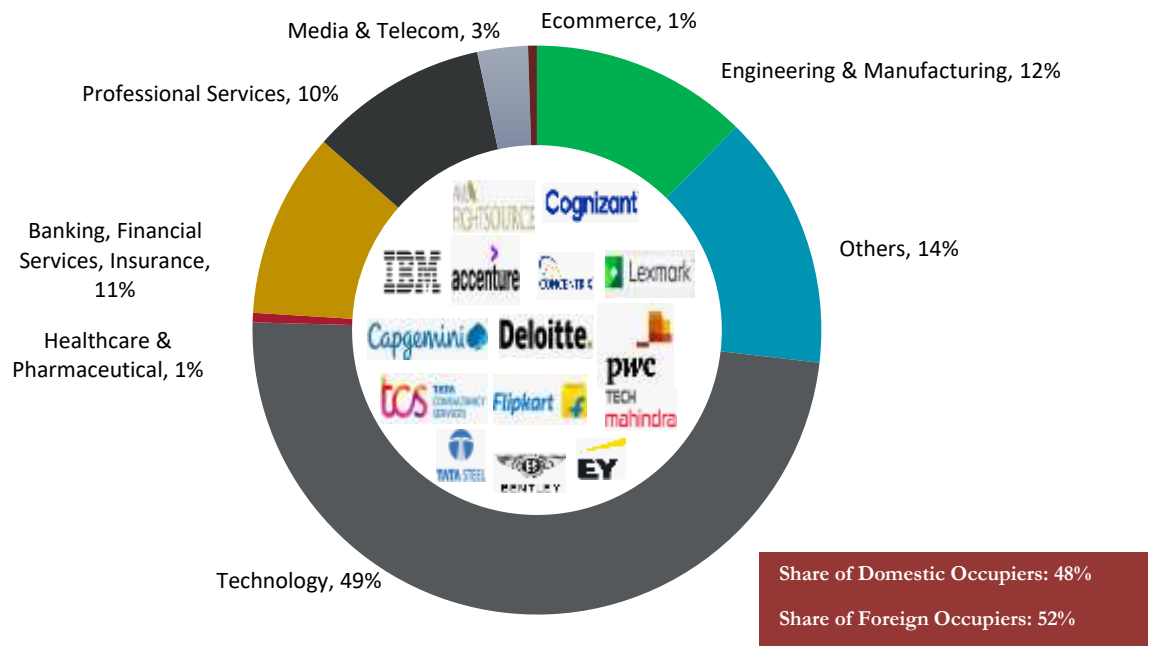
Notes:

1. Only the relevant stock has been considered for this analysis excluding the non-IT buildings, the IT buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for Brookfield India REIT properties have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
3. Rentals presented above are weighted average values on completed stock.

Due to enhanced mobility from expansion of metro connectivity and the upcoming East-West Metro corridor, the demand for office spaces is expected to rise and is likely result in positive impact on the rentals.

### 1.3 Sectoral Demand Analysis – Kolkata (2015 – 9M CY 2024)

#### Key Industries present in Kolkata (CY 2015 – 9M CY 2024 ~8.89 msf)



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for this Domestic & Foreign bifurcation analysis.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of Kolkata's relevant stock i.e., including relocations, consolidations etc.

Technology is the dominant sector in Kolkata which has generated a demand of 49%. The other prominent contributors to the demand are Engineering and Manufacturing (12%), Professional Services (10%) and BFSI (11%). The mix of domestic and foreign occupants in Kolkata is 48:52.



## **2 Rajarhat- Competitive REIT Micro Market**

Candor Techspace (K1) is a freehold, Grade A asset located in Rajarhat micro market of Kolkata, with well – planned infrastructure, proximity to residential areas and established social infrastructure.

### **2.1 Overview**

Rajarhat micro market forms a part of New Town Planning Area (NTPA). This competitive REIT micro market is being developed under the development authority named West Bengal Housing Infrastructure Development Corporation (WBHIDCO).

Rapid urbanization and growing demand for housing and office spaces in Kolkata led to the emergence of Rajarhat area in the Eastern outskirts of Kolkata to serve the dual purpose of:

Establishing a new business centre to reduce the mounting pressure on the existing Central Business Districts (CBD) and adding residential supply to cater to increasing housing needs.

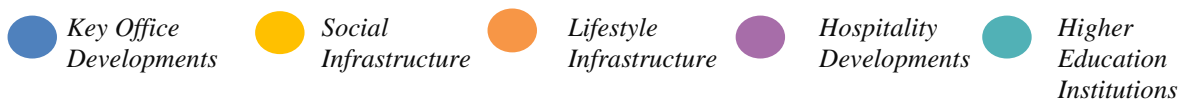
With continuous focus on improving the existing infrastructure, Rajarhat has emerged as a prominent office micro market. There has been a gradual drift of office space occupiers from CBD towards Salt Lake and Rajarhat. This competitive REIT micro market is a highly planned region of Kolkata which primarily constitutes supply of investment grade office buildings. It houses the project viz. Bengal Silicon Valley, which is a West Bengal Government initiative to promote business, which is spread across approximately 200 acres of land (current and future expansions) and has seen participation by corporates such as Reliance JIO, TCS, RP Sanjiv Goenka First Source, Wipro, Microsoft, Tech Mahindra, Cognizant, Genpact, Capgemini, ISI etc. Additionally, this micro market has commendable existing infrastructure and the metro route expansion from New Garia to Airport via Rajarhat and East-West metro would further improve its connectivity from various parts of Kolkata.

Candor Techspace K1 is a prominent office development and is the largest campus style office development in Eastern India. In addition, K1 is within close proximity to some of the renowned hotels like The Westin, Fairfield by Marriott, Lemon Tree, and Pride Plaza, etc.

## 2.2 Social and Physical Infrastructure



Source: Cushman and Wakefield Research  
(Map not to scale)



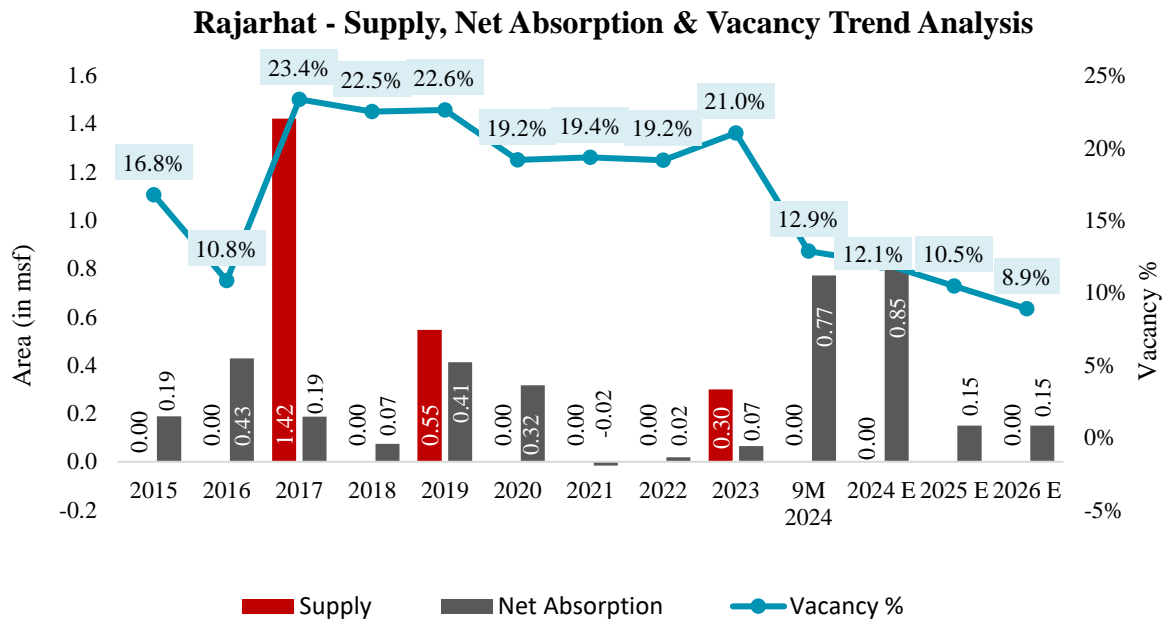
Key Office Developments	Social Infrastructure	Malls and High Street	Hospitality Developments	Higher Education Institutions
1. DLF IT Park 2 (1.0 km)	1. Tata Medical Centre (0.8 km)	1. Axis Mall (2.8 km)	1. Hotel Zone by The Park (2.0 km)	1. University of Engineering & Management (2.0 km)
2. TCS Geetanjali Park (1.8 km)	2. Biswa Bangla Convention Centre (2.1 km)	2. DLF Galleria (3.1 km)	2. Pride Plaza (3.2 km)	2. Presidency University (1.5 km)
3. Ambuja Ecospace (2.5 km)	3. DPS New Town (1.8 km)	3. Centrus Mall (2.6 km)	3. Lemon Tree Premiere (3.2 km)	3. Aliah University (2.8 km)
4. Mani Casadona (2.9 km)	4. New Town School (2.0 km)		4. IBIS Hotel (3.2 km)	

Key Office Developments	Social Infrastructure	Malls and High Street	Hospitality Developments	Higher Education Institutions
5. DLF IT Park (4.2 km)	5. Nazrul Tirtha (4.1 km)		5. Novotel (2.8 km)	
	6. Aquatica (3.0 km)		6. The Westin (3.5 km)	
	7. Biswa Bangla Gate (1.6 km)		7. Hotel Fairfield by Marriott (2.0 km)	

The competitive REIT micro market is connected to Biswa Bangla Sarani (which is the main connecting road to rest of Kolkata and NSCBI Airport) through VIP Road.

The presence of government undertakings and development authority viz. West Bengal Housing Infrastructure Development Corporation (WBHIDCO) and New Town Kolkata Development Authority (NKDA) in the micro market has played a pivotal role in infrastructure development. The competitive REIT micro market has planned infrastructure in terms of wide roads with strategic road network as envisaged by the Government of West Bengal since it falls under the New Town Planning Area. A prime upcoming infrastructure development in the region is the Line 6 (New Garia – Airport via Rajarhat) of Kolkata Metro, which is partially operational and the nearest metro station (proposed - CBD 1) lies approximately 1.5 km due West from the Subject Property. The Line 2 (East-West Metro from Sector V – Howrah) is another partly operational metro route which lies approximately 6 km due West from the Subject Property. Presently the nearest operational metro station (Sector V) lies 6 km away (approx. 15-minute drive) whereas, after Line 6 becomes fully operational, the nearest metro station (CBD 1) would be just 1.5 km away (approx. 5-minute drive).

## 2.3 Supply, Absorption & Vacancy Analysis



Source: Cushman and Wakefield Research

Notes:

1. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
2. The Net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
3. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are excluding the non-IT buildings and IT buildings which are less than 1 lakh square feet in area and applying certain other criteria.

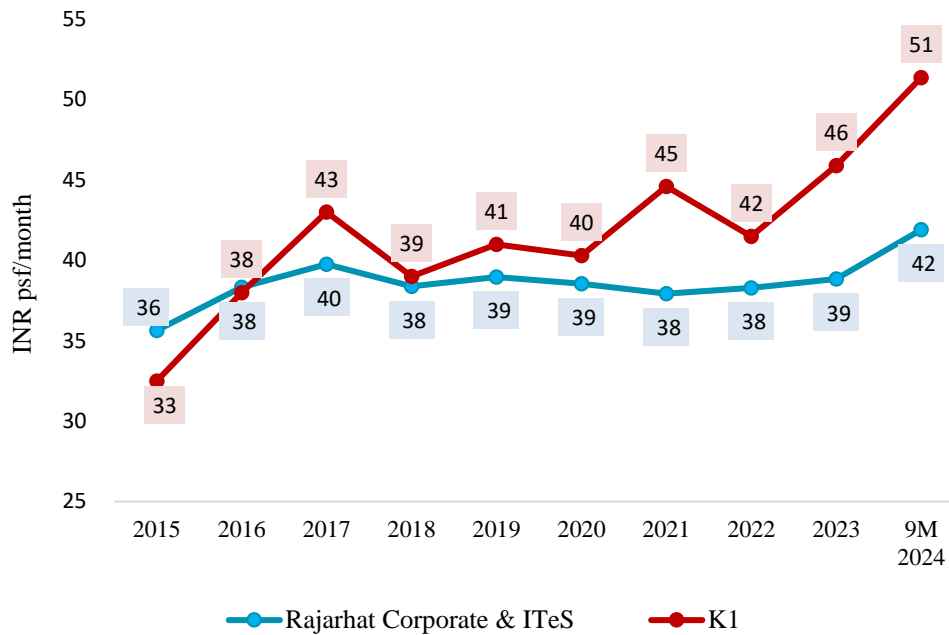
Regular upgradation in physical infrastructure has resulted in improvement of connectivity and expansion of city limits. Rajarhat commands the highest demand in Kolkata as indicated by 12.9% vacancy levels (unlike Kolkata market as a whole, which is at 19%). The competitive REIT micro market had emerged to accommodate the increasing demand by occupiers for quality space. Further, this micro market allowed the development formats which are conducive to accommodate large office space requirement of the occupiers.

Brookfield is one of the three national players significantly active in Rajarhat and holds the highest leasable area in the micro market. The Subject Property currently owns about 49% of relevant investment grade office stock. Hence, with continuous demand from occupiers and the established location of the Competitive REIT micro market, we expect the vacancy levels to reach nearly 8.9% by year 2026E.

## 2.4 Rental Trend Analysis

The rental trend for Rajarhat and Subject Property is as follows:

### Rajarhat and K1 – Quoted Rental Trend



Source: Cushman and Wakefield Research

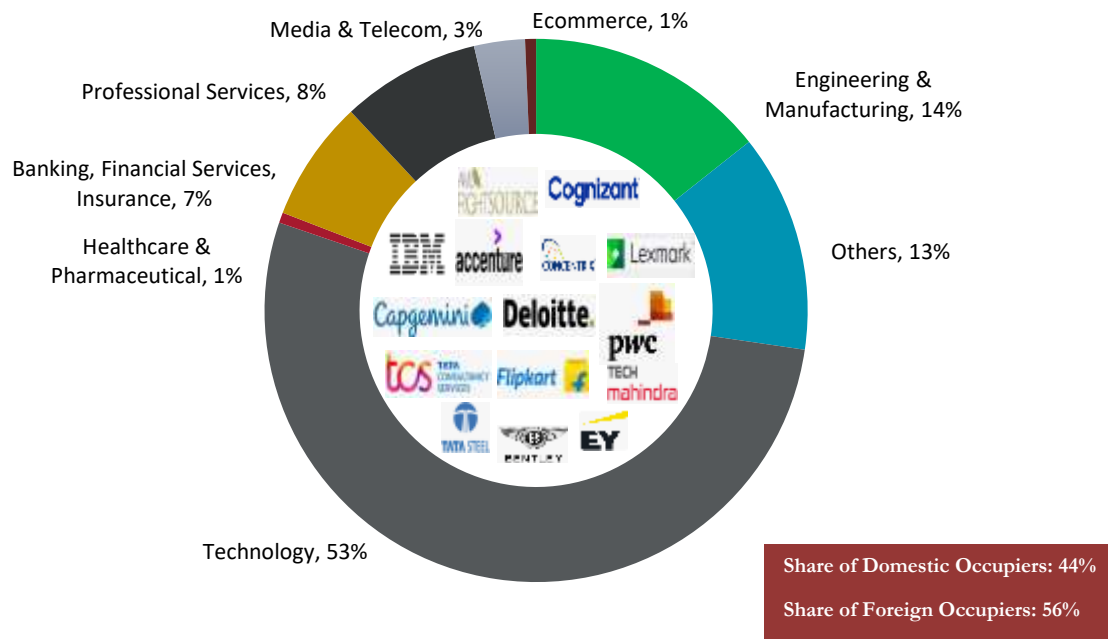
Note:

1. Only the relevant stock has been considered for this analysis excluding the non-IT buildings, the IT buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. The rentals for Candor Techspace K1 are sourced from the Client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants which happened at improved efficiency and the same has been adjusted to asset level efficiency. Which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Rentals presented above are weighted average values on completed stock.

The graph above represents the rental growth rate of K1 versus entire cluster of the Competitive REIT Micro Market. The analysis suggests that K1 has witnessed a rental growth of 5.4%, as compared to a growth of 1.9% in the Competitive REIT Micro Market over the same period. The difference in rental growth also illustrates occupiers' willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.

## 2.5 Sectoral Demand Analysis – Rajarhat (2015 – 9M CY 2024)

### Key Industries present in Rajarhat (CY 2015 – 9M CY 2024 ~6.85 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for this Domestic & Foreign bifurcation analysis.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of Rajarhat's relevant stock i.e., including relocations, consolidations etc.
3. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Kolkata has seen a major drift in the occupiers' preferences from CBD to Rajarhat micro market in the last decade. The major reason for such a change in occupier behaviour is due to quality supply available in the micro market and comparatively lower rentals in Rajarhat in comparison to CBD. The area is well planned and offers smooth road connectivity with the rest of the city. As of 9M CY 2024, approximately 53% of the occupants are from Technology sector followed by from Engineering and Manufacturing sector (14%) and from Professional services (8%). The mix of domestic and foreign occupants in Rajarhat is 44:56.

### **3 Market Outlook**

Rajarhat has emerged as a prominent office micro market in Kolkata. The well-established office developments in the Competitive REIT Micro Market includes Candor Techspace K1, DLF IT Park, Ecospace, Ecosuite Business Tower, Mani Casadona, Synthesis Business Park and PS Abacus.

The Competitive REIT Micro Market has remained stable. Since CY 2017 till CY 2023 the Competitive REIT Micro Market witnessed range bound vacancy levels between ~19% to 23% as compared to Overall Kolkata ranging from 25% to 37% over the same period. As on 9M CY 2024, vacancy in Competitive REIT Micro Market has declined to 12.9% respectively.

Further, with limited future supply and steady demand from occupiers, the vacancy level is projected to be around 8.9% by 2026E, reflecting a balanced market outlook.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 42 per sq. ft./month. and it may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The Subject Property has witnessed a rental CAGR of 5.4%, as compared of 1.9% in the Competitive REIT Micro Market over the same period.

The significantly lower rentals as compared to the CBD and ancillary areas, and availability of large spaces in investment grade office buildings offering modern facilities and amenities has led to a gradual drift of office occupiers from the CBD area to towards Rajarhat. Additionally, the partially operational Line 6 of Kolkata Metro (New Garia to Airport via Rajarhat New Town) is expected to favourably affect the micro market and create significant demand and in turn have positive impact on rentals.

The work-from-home period has significantly decreased, with many organizations having already implemented a return-to-office policy. Considering the well-maintained infrastructure, key location, improved connectivity, increasing trend in the return to office, the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.

Also, the Competitive REIT Micro Market constitutes large IT Parks which fit well with the requirement of technology sector. We expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs will further drive significant demand in the office real estate sector.





## **C      SUBJECT PROPERTY REPORT**



## **1 Address, Ownership and Title details of Subject Property**

Address:	Plot No. 1, DH Street no. 316, New Town, North 24 Parganas, Rajarhat, Kolkata, West Bengal – 700156, India.
Ownership & title details:	Land tenure: Freehold; the land and buildings thereupon are owned by Candor Kolkata One Hi-Tech Structures Private Limited which, is 100% owned and controlled by the Brookfield India REIT.

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Fox and Mandal (Hereinafter referred to as ‘Legal Counsels’). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

## 2 Location

### 2.1 General

The Subject Property is located in New Town, Rajarhat, Kolkata. It is part a of Rajarhat micro market which is one of the established office micro markets of Kolkata.

K1 has a prominent frontage on one of the main arterial roads viz: Major Arterial Road (East-West). The road connects K1 to Shapoorji Sukhobrishti (via SP Sukhobrishti Complex Road) in East and Narkelbagan, Biswa Bangla Sarani in West respectively. Further, K1 is located at distance of 1.5 km from the upcoming metro station – CBD 1. The metro route expansion from New Garia to Airport via Rajarhat and East-West metro would further accentuate the connectivity of the Subject Property from various regions of Kolkata.

The location map of the Subject Property is as follows:



Source: Cushman and Wakefield Research

(Map not to scale)

#### **Site Boundaries:**

The site boundaries the Subject Property are as follows:

- North: Access Road – Street no. 368
- East: Bajgola Canal & Developed Commercial Formats



- West: Access Road – Major Arterial Road and a few vacant Land Parcels
- South: Peripheral Drainage Canal and a Small Village

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city via multiple modes of communication. The distances from major landmarks in the city are as follows:

- Approximately 02 km from Narkel Bagan
- Approximately 1.5 km from upcoming CBD 1 Metro Station
- Approximately 07 km from Sector V, Salt Lake
- Approximately 12 km from NSCB International Airport
- Approximately 14 km from Sovabazar–Sutanuti Metro Station
- Approximately 15 km from Sealdah Railway Station
- Approximately 17.5 km from Howrah Railway Station
- Approximately 18 km from Park Street (CBD of Kolkata)

## **2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### 3 Subject Property - Asset Description

K1 constitutes 12 completed buildings, and 1 under construction building along with future development area. The listing of buildings under both components is as follows:

**Completed buildings with Occupancy Certificate (OC) received** – Tower A1, A2, A3, B1, B2, B3, C1\*, C2\*, C3\*, G1, G2, G3

**Under-Construction Building – Tower F (Commercial cum Retail Development)**

The under-construction building admeasures 5,75,580 sq. ft., which is expected to be ready by Q1 FY 2027. Only the excavation has started as on date of valuation.

**Future development buildings** – The future development constitutes IT/ITeS development having leasable area of 5,84,916 sq. ft. and mixed-use development having leasable area of 15,23,492 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed.

The building wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Status	Expected Completion Date
Tower A1	2,94,756	Completed	NA
Tower A2	2,94,199	Completed	NA
Tower A3	2,25,965	Completed	NA
Tower B1	3,21,538	Completed	NA
Tower B2	1,58,166	Completed	NA
Tower B3	1,82,962	Completed	NA
Tower C1	3,52,239	Completed	NA
Tower C2	3,04,864	Completed	NA
Tower C3	2,41,445	Completed	NA
Tower G1	2,78,448	Completed	NA
Tower G2	2,63,507	Completed	NA
Tower G3	2,41,833	Completed	NA
Tower F	5,75,580	Under Construction	Q1 FY 2026–27
IT/ITeS	5,84,916	Future Development	Q2 FY 2030–31 <sup>^</sup>
Mixed-use	15,23,492	Future Development	Q3 FY 2030–31 <sup>^</sup>
<b>Total/WA</b>	<b>58,43,910</b>		

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information.

\*Towers C1, C2 and C3 have partial occupancy certificates. Full occupancy certificates will be obtained once the entire project is complete. These buildings are fit for occupation as Information Technology and IT enabled services business (use group)/ Business building for the portion which has received the occupancy certificates.

<sup>^</sup>Leasing Period for future development is taken in phased manner. The leasing is assumed to start from Q1 FY 2028-29 in the IT/ITeS and Q1 FY 2031-32 in the Mixed-use development.

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received.

Particulars	Details
<b>Entity:</b>	Candor Kolkata One Hi-Tech Structures Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Kolkata One Hi-Tech Structures Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	New Town, Rajarhat
<b>Approved and Existing Usage:</b>	IT/ITeS
<b>Land Area (acres):</b>	~48.383
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	31,59,922 sq. ft.
<b>Occupied Area:</b>	28,01,333sq. ft.**
<b>Committed Occupancy (%) *:</b>	88.65% **
<b>Current Effective Rent (excluding parking):</b>	INR 46^ per sq. ft. per month (Office tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 46^ per sq. ft. per month (Office and Retail and Telecom tenants only)
<b>Number of Tenants:</b>	13(office)

Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

Note: Refer company structure set out in (Annexure 2)

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.

\*\* The short-term lease signed with HDFC Bank for 2,80,982 sq. ft. is an incubation space as per the information provided by the client, therefore for the calculation of committed occupancy and occupied area same has not been considered. If the same area is considered, then committed occupancy will be 97.54% and leasable area will be 30,82,315 sq. ft.

^ The short-term lease signed with HDFC Bank for 2,80,982 sq. ft. is an incubation space as per the information provided by the client, therefore for the calculation of current effective rent the same has not been considered. If the same area is considered, then the current effective rent would be INR 47 per sq. ft. per month.

**Under Construction: Tower F (Commercial cum Retail Development)**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Kolkata One Hi-Tech Structures Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Mixed-use – Q1 FY 2026–27
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	New Town, Rajarhat
<b>Approved Usage:</b>	Commercial
<b>Leasable Area:</b>	5,75,580 sq. ft.
<b>Status of construction:</b>	Superstructure work for ground level, columns, beams and slabs have been casted. First and second floor are under progress. (As per the information provided by Client)
<b>Approvals received and pending:</b>	As per the information provided by the Client, approval on building plan has been obtained as on the date of valuation.

*Source: Architect's Certificate: 30<sup>th</sup> October 2024 , and Client Information.*



**Future Development:**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Kolkata One Hi-Tech Structures Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	IT/ITeS – Q2 FY 2030–31 Mixed-use – Q3 FY 2030–31
<b>Asset type:</b>	Approved IT/ITeS/ Retail
<b>Sub-market:</b>	New Town, Rajarhat
<b>Approved Usage:</b>	IT/ITeS/ Retail
<b>Leasable Area:</b>	21,08,408 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate 30<sup>th</sup> October 2024, and Client Information*

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 12 operational buildings along with one under construction and two future development areas was physically inspected on 24 <sup>th</sup> April 2024 (Subsequently no site visits have been conducted).
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational buildings</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>Area provisioned for Future development.</li> </ol>
<b>Key Observation:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Building:</b> <p>The operational buildings in the campus are Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3 collectively admeasuring 31,59,922 sq. ft. of leasable area.</p> <p>The operational buildings comprise:</p> <ol style="list-style-type: none"> <li>Office: 12 Towers including Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3 having total leasable area of 30,87,311 sq. ft. These towers are occupied by multiple tenants. Major tenants in these blocks are Cognizant, TCS, Capgemini, Accenture and Genpact.</li> <li>Amenity Blocks: Part of Office Tower A2 and A3 having leasable area for the retail space of 51,350 sq. ft. Block A2 constitutes multi-cuisine food courts, in-house kitchens, bank branches and ATM, creche, pharmacy, medical centre and other retail outlets whereas Block A3 offers amenities such as gymnasium, swimming pool and table tennis at the ground floor.</li> </ol> </li> <li> <b>Under-construction Development:</b> <ol style="list-style-type: none"> <li>Commercial cum retail development: Tower F of the Subject Property having leasable area of 5,75,580 sq. ft. The same is being developed through Joint Development Arrangement with a third party.</li> </ol> </li> <li> <b>Future development:</b> <p>The Future development comprises of IT/ITeS and mixed use development collectively admeasuring 21,08,408 sq. ft. of leasable area. The details are:</p> </li> </ul>	

- a. IT/ITeS development: Three Towers i.e., D1, D2, D3 having total leasable area of 5,84,916 sq. ft. are proposed to be developed as IT/ITeS development. The same is expected to be completed by Q2-FY 2030–31
- b. Mixed Use development having total leasable area of 15,23,492 sq. ft. is expected to complete by Q3 FY 2030–31.

#### **Other Amenities**

- The Subject Property has separate lift and lobby areas on each floor of the buildings present in the campus. Also, there is an arrangement of other utilities like LT room, LMRs, BMS, DG sets, pump rooms and solar panels which are available in basement/ lower ground floors and on terrace of the buildings.
- The Subject Property has amenities like STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights.

#### **Awards & Certifications**

- K1 has been awarded IGBC Gold rating for sustainability, GRESB 5-Star Rating, 5-Star Rating by the Bureau of Energy Efficiency (BEE) in addition to the group wide ISO 9001, 14001, 50001 and OHSAS 18001 certifications.

#### **Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 4,369 parking spaces (including 547 parking spaces in under construction development).

#### **Other Observations**

- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- The utility areas also appeared well maintained, visually.
- No instances of any major logging or water accumulation were observed during the inspection.

*Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024,*

*Note:*

- a. *The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*

### 3.3 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the properties forming part of the Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

The Valuer relied on the following Information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30<sup>th</sup> October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants occupying space in the Subject Property account for ~99% of leased area and ~98% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Cognizant	8,69,515
2	TCS	6,65,267
3	Capgemini	3,39,276
4	HDFC Bank Limited*	3,25,889
5	Accenture	2,53,111
6	Concentrix (IBM Daksh)	1,16,372
7	Tech Mahindra	1,06,911
8	Martinet	39,755
9	Indo Rama Ventures	38,256
10	Codeclouds IT	7,475
<b>Total</b>		<b>27,61,827</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

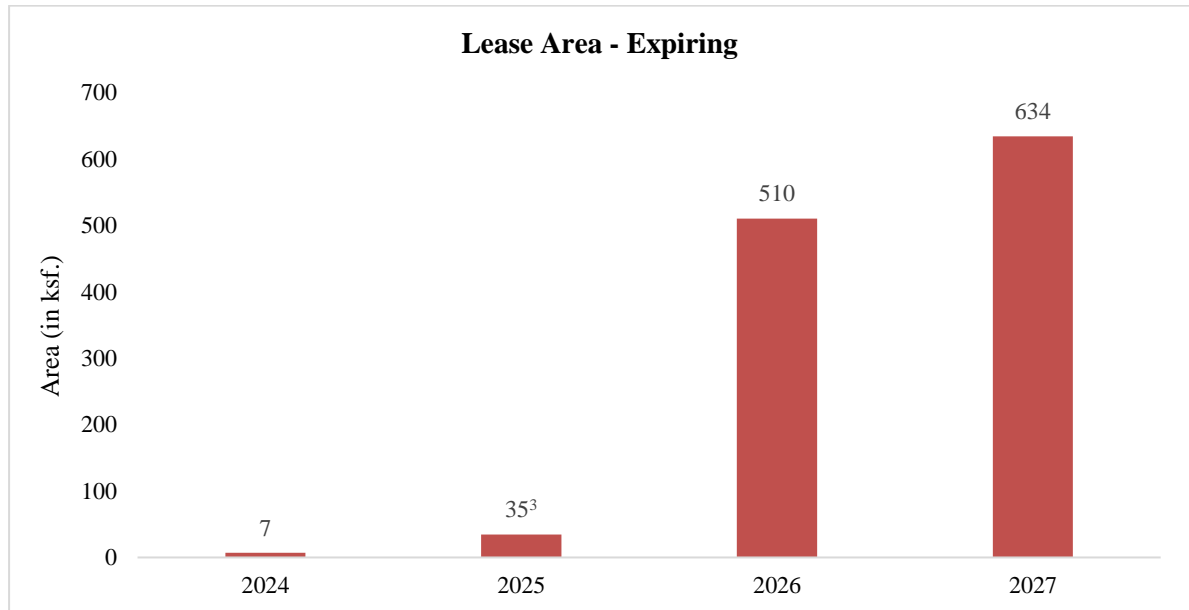
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Cognizant	31%
2	TCS	24%
3	HDFC Bank Limited*	12%
4	Capgemini	11%
5	Accenture	10%
6	Concentrix (IBM Daksh)	4%
7	Tech Mahindra	3%
8	Indo Rama Ventures	1%
9	SBI	0.3%
10	Code Clouds IT	0.3%
<b>Total</b>		<b>98%</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

\* The short-term lease signed with HDFC Bank for 2,80,982 sq. ft. is an incubation space as per the information provided by the client, therefore leased area to HDFC Bank Limited does not include this incubation space.

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is ~ 7.7<sup>3</sup> years, with ~42%<sup>3</sup> of occupied area expiring between 2024 and 2027 as shown in the chart below (including office and retail and telecom tenants).



Source: Rent roll as on 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. The time period for 2024 is considered from 1<sup>st</sup> October 2024 till 31<sup>st</sup> December 2024.
3. The short-term lease signed with HDFC Bank for 2,80,982 sq. ft. is an incubation space as per the information provided by the client, therefore the same has not been considered for the calculation of WALE and percentage of occupied area expiring between 2024 and 2027. If the same would have been considered, then the WALE of the Subject Property will be 7.1 years and percentage of occupied area expiring between 2024 and 2027 would be 48%.

## 4 Valuation Approach & Methodology

### 4.1 Asset-specific Review:

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details, and ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### 4.2 Micro-market Review:

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of commercial/ IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2–3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the subject properties for leasing vacant spaces as well as upon releasing).





### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the subject properties. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Properties.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

The Subject Property's related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	31,59,922
Area Leased	sq. ft.	28,01,333 <sup>^</sup>
Committed Occupancy*	%	88.65% <sup>^</sup>
Vacant Area**	sq. ft.	3,58,589 <sup>^</sup>
Vacancy	%	11.35% <sup>^</sup>
Stabilized Vacancy	%	5.0%
Further Leasing	sq. ft.	0
Existing Lease Rollovers	%	97.39%
Rent Free Period – Existing Leases (First Year)	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	3,822
Estimated Leasing Period	# of quarters	-

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent roll as at 30<sup>th</sup> September 2024.

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

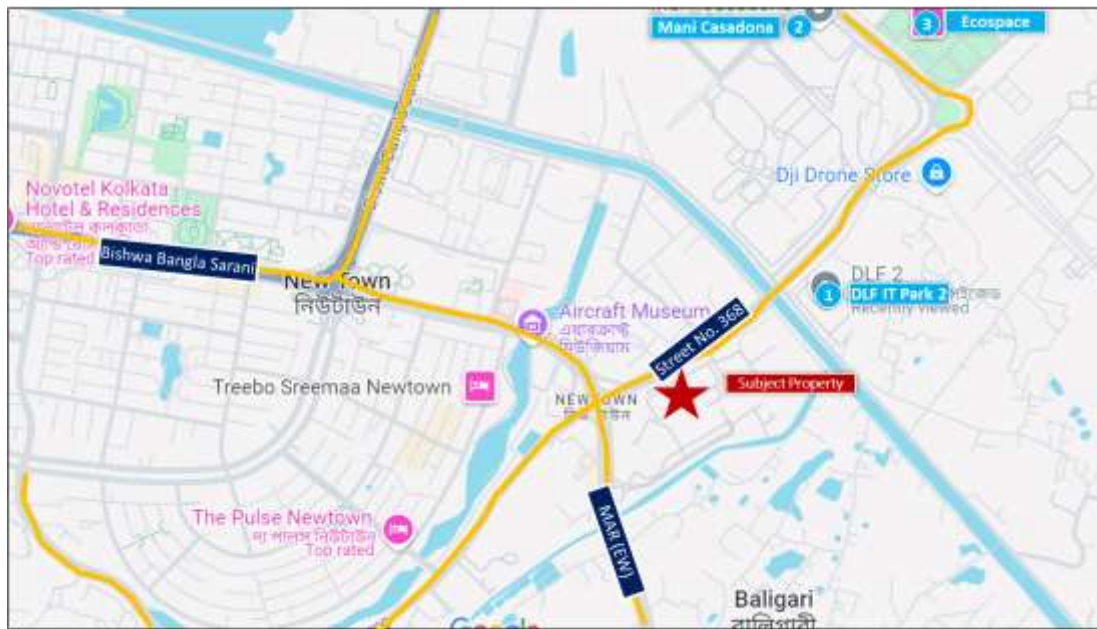
\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.

\*\*Vacant Area includes the area of captive use of ~7028 sq. ft. which has not been considered for Further Leasing.

<sup>^</sup> The short-term lease signed with HDFC Bank for 2,80,982 sq. ft. is an incubation space as per the information provided by the client, therefore for the calculation of area leased, committed occupancy, vacant area and vacancy % the same has not been considered. If the same area is considered, then the area leased would be 30,82,315, committed occupancy would be 97.54%, vacant area would be 77,607 and vacancy % would be 2.46%.

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over CY 2022–9M CY 2024, the Rajarhat micro market has witnessed an average annual net absorption of approximately 0.38 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.17 msf per annum for Q4 2024–2026E.
  - As the subject property is 97.54% leased, hence there is no area to be further leased.

**Subject Property and Relevant Existing Supply in Rajarhat REIT Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply

## Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 46.00
Achievable Market Rent – Office (Base) (Non SEZ Area)	Per sq. ft. per month	INR 50.5
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 59.00
Achievable Market Rent – Office (Base) (including Parking)	Per sq. ft. per month	INR 47.00
Achievable Market Rent – Office (Base) (including Parking) (Non SEZ Area)	Per sq. ft. per month	INR 51.5
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 60.00
Other Income	Per sq. ft. per month	INR 0.32
Rental Growth Rate (from FY'26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – FY 26 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 5.76

*Note: CIOP (Candor India Office Park) provides project management services to the properties of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

### • Market rent – office:

- Achievable market rent includes parking charges of INR 1 per sq. ft. per month (considering the parking rent of INR 3,000 per slot per month).
- For FY' 2023 and FY' 2024, approximately 0.9 msf of office was leased in the rental range of INR 42–54 per sq. ft. per month (including parking).

### Lease Transactions FY' 2023 & FY' 2024

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft/ month)
BFSI	2024	3,21,288	54
BFSI	2024	3,25,889	49
IT Company	2024	86,426	45
IT Company	2024	1,06,911	40
Professional Services	2024	47,613	42
Professional Services	2023	61,719	42

*Source: Rent roll as at 30<sup>th</sup> September 2024 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view the future supply, which is very limited, it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 47 per sq. ft. per month (including parking charges) and INR 51.5 per sq. ft. per month (including parking charges) for Non SEZ Area as Non SEZ IT/ITeS area gets leased at a premium of 10% compared to SEZ area..
- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro market, we expect annual growth in achievable market rentals to be around 5%

in the medium to long term. Therefore, we have considered a growth rate of 5.0% from FY'2026 and onwards.

- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'25 ranges from INR 5– 10 per sq. ft. per month. Further, the total CIOP expense for the period between 1<sup>st</sup> April 2024–31<sup>st</sup> March 2025 for K1 is considered to be INR 93 Million and has been escalated at 6.5% annually for the subsequent years. Thus, the tenants are charged INR 3.65–8.54 per sq. ft. per month, for the CIOP expense for the period, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency** The re-leasing in the property have happened at an efficiency of 75%. In order to normalise this and to bring the same in line with the market we have assumed an efficiency of 75% for all further leasing where efficiency is more than 75%.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 6.76
Property Tax	Per sq. ft./month	INR 0.30
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards. Insurance cost forms a part of O&M cost and has been adjusted against the O&M Margin.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



## Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value, indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates.

In order to arrive at the capitalization rate for the Subject Property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were pursued. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for public listing with better liquidity/ marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8.5% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market player.

\*CPPIB took 51% stake in the property erstwhile held by Prestige estates.



- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.

### Under Construction and Future Development

Please note that all assumptions mentioned above under the “Completed Property” section holds true for “Under-construction” and “Future development” buildings. The exceptions if any are as elaborated below:

#### **Subject Property Details**

Subject Property Details	Unit	IT/ITeS	Mixed-use	
			Under construction (Tower F)	Future Development
Total Leasable Area	Sq. ft.	5,84,916	5,75,580	15,23,492
Stabilized Vacancy	%	5%	5%	5%
Rent Free Period – New Leases	Months	4	4	4
Estimated Leasing Period	# of quarters	12	12	11
Total parking Slots	#	-	547	-

Source: Architect’s Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024.

#### **Construction Related Assumptions**

Construction Related Assumptions	Units	IT/ITeS	Mixed-use	
			Under construction (Tower F)	Future Development
Start Date of Construction	Month/Year	Apr-25	Oct-22	Jul-27
End Date of Construction	Month/Year	Sep-30	Jun-26	Dec-30
Total Construction Cost	INR Million	2,817	2,950	7,826
Construction Cost Incurred till Date	INR Million	-	653	-
Construction Cost to be Incurred	INR Million	2,817	2,297	7,826

#### Notes:

1. We have relied upon Client inputs for the assumptions relating to construction.
2. INR 210 million on account of approval cost is included in the construction cost to be incurred and has been taken into our valuation calculation.
3. The assumptions on cost to be incurred for future developments as well as for under construction projects are based on inputs provided from the client while applying independent professional judgement by the valuer.
4. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Office	Mixed use Commercial	Mixed Use Retail
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 46.00	-	-
Achievable Market Rent – Mixed Use-Commercial (Base)	Per sq. ft. per month	-	INR 50.5	-
Achievable Market Rent – Mixed Use-Retail (Base)	Per sq. ft. per month	-	-	INR 60.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 47.00	-	-
Achievable Market Rent – Mixed Use-Commercial (including Parking)	Per sq. ft. per month	-	INR 51.5	-
Achievable Market Rent – Mixed Use-Retail (including Parking)	Per sq. ft. per month	-	-	INR 61.00
Rental Growth Rate (from FY'26 onwards)	% p.a.	5.00%	5.00%	5.00%
O&M Markup Growth Rate – FY 26 onwards	% p.a.	4%	4%	4%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5%	5%	5%
Normal Market Lease Tenure	# of years	9	9	9
Normal Market Escalation at end	# of years	3	3	3
Market Escalation at the end of Escalation period	%	15.00%	15.00%	15.00%
O&M Markup for future leases	Per sq. ft. per month	INR 5.76	INR 5.76	INR 5.76

*Note: \*CIOP (Candor India Office Park) provides project management services to the Subject Property of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

### Capitalization Rate and Discount Rate

With reference to the explanation in completed property section, the cap rate for the Subject Property has been assumed to be 8.5% in line with the available market information applied on the one year forward NOI in the terminal year. Owing to the various risks pertaining to the under-construction/ future development properties, we have considered a risk premium of 125 bps, to derive the WACC of 13.00% for under-construction / future development properties. This is in line with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed Building, Under construction and Future Development) comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Buildings	30 <sup>th</sup> September 2024	INR 25,155 Million	Indian Rupees Twenty-Five Billion One Hundred and Fifty-Five Million Only
Under construction / Future Developments	30 <sup>th</sup> September 2024	INR 4,719 Million	Indian Rupees Four Billion Seven Hundred and Nineteen Million Only

### Ready Reckoner Rate

Component	Rate
Carpet area	INR 6,628 per sq. ft.
Land area	INR 7,305 per sq. ft.

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by



(L. Anuradha)

IBBI/RV/02/2022/14979

## **D ANNEXURES**



## Annexure 1: Cash Flows

### Completed Buildings: Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3

Years		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	1,646.5	1,679.3	1,822.1	1,932.8	2,012.7	2,125.3	2,226.1	2,312.0	2,430.3	2,523.9	2,666.5
O&M Markup	INR Million	286.5	295.3	315.7	329.8	342.1	354.7	367.8	381.3	395.2	409.0	422.7
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	12.7	13.3	13.9	14.6	15.4	16.1	17.0	17.8	18.7	19.6	20.6
<b>Total Income</b>	<b>INR Million</b>	<b>1,945.7</b>	<b>1,987.9</b>	<b>2,151.7</b>	<b>2,277.2</b>	<b>2,370.1</b>	<b>2,496.2</b>	<b>2,610.8</b>	<b>2,711.1</b>	<b>2,844.2</b>	<b>2,952.6</b>	<b>3,109.9</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,945.7</b>	<b>1,987.9</b>	<b>2,151.7</b>	<b>2,277.2</b>	<b>2,370.1</b>	<b>2,496.2</b>	<b>2,610.8</b>	<b>2,711.1</b>	<b>2,844.2</b>	<b>2,952.6</b>	<b>3,109.9</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(11.8)	(12.4)	(13.0)	(13.6)	(14.3)	(15.0)	(15.8)	(16.6)	(17.4)	(18.2)	(19.2)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(11.8)</b>	<b>(12.4)</b>	<b>(13.0)</b>	<b>(13.6)</b>	<b>(14.3)</b>	<b>(15.0)</b>	<b>(15.8)</b>	<b>(16.6)</b>	<b>(17.4)</b>	<b>(18.2)</b>	<b>(19.2)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,933.9</b>	<b>1,975.6</b>	<b>2,138.8</b>	<b>2,263.6</b>	<b>2,355.8</b>	<b>2,481.2</b>	<b>2,595.1</b>	<b>2,694.5</b>	<b>2,826.8</b>	<b>2,934.3</b>	<b>3,090.7</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	36,361.2	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(363.6)	-
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>1,933.9</b>	<b>1,975.6</b>	<b>2,138.8</b>	<b>2,263.6</b>	<b>2,355.8</b>	<b>2,481.2</b>	<b>2,595.1</b>	<b>2,694.5</b>	<b>2,826.8</b>	<b>38,931.9</b>	
Other Operating Expenses (R&M, Legal, Professional)	INR Million	(32.9)	(33.6)	(36.4)	(38.7)	(40.3)	(42.5)	(44.5)	(46.2)	(48.6)	(50.5)	
Brokerage Expenses	INR Million	(4.9)	(23.5)	(47.5)	(4.2)	(1.2)	-	(0.2)	-	(2.6)	(33.6)	
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(167.0)</b>	<b>(16.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,729.1</b>	<b>1,902.5</b>	<b>2,054.9</b>	<b>2,220.8</b>	<b>2,314.4</b>	<b>2,438.7</b>	<b>2,550.4</b>	<b>2,648.3</b>	<b>2,775.6</b>	<b>38,847.8</b>	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Under Construction: Tower F (Commercial cum Retail Development)**

Year		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	73.19	213.37	355.64	437.62	458.64	480.07	503.26	527.44	552.34
O&M Markup	INR Million	-	1.67	22.75	50.11	77.52	86.24	90.09	94.10	98.30	102.69	107.28
Total Income	INR Million	-	1.67	95.94	263.48	433.16	523.86	548.73	574.18	601.56	630.13	659.62
<b>Total Income from occupancy</b>		-	1.42	71.94	196.05	321.73	388.20	406.66	425.56	445.89	467.10	488.99
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	(11.11)	(35.98)	(19.82)	(3.54)	-	-	-	-	-	-
Property Taxes	INR Million	-	(0.56)	(2.25)	(2.36)	(2.48)	(2.60)	(2.73)	(2.87)	(3.01)	(3.17)	(3.32)
Total Operating Costs	INR Million	-	(11.67)	(38.23)	(22.18)	(6.02)	(2.60)	(2.73)	(2.87)	(3.01)	(3.17)	(3.32)
Net operating Income	INR Million	-	(10.26)	33.71	173.87	315.72	385.60	403.93	422.69	442.87	463.93	485.67
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	5,713.77	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(57.14)	
Total Net Income	INR Million	-	(10.26)	33.71	173.87	315.72	385.60	403.93	422.69	442.87	6,120.56	
GIL upfront payment	INR Million	203.39	-	-	-	-	-	-	-	-	-	
Maintenance Capex	INR Million	-	-	(1.05)	(3.07)	(5.12)	(6.30)	(6.60)	(6.91)	(7.25)	(7.60)	
Brokerage Expenses	INR Million	-	(5.62)	(23.17)	(23.28)	(17.88)	-	-	-	-	-	
Total Construction Costs (including Approval c	INR Million	(1,325.00)	(972.05)	-	-	-	-	-	-	-	-	
Net Cashflows	INR Million	(1,121.61)	(987.92)	9.48	147.52	292.72	379.30	397.32	415.78	435.63	6,112.97	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.





**Future Developments: IT/ITeS**

Particulars	Unit	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	5.29	95.10	146.56	274.86	413.10	437.29	462.53	492.67
O&M Markup	INR Million	-	-	-	5.13	26.26	40.32	72.65	95.63	99.90	104.36	109.02
<b>Total Income</b>	<b>INR Million</b>	-	-	-	10.42	121.36	186.88	347.51	508.73	537.19	566.89	601.69
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	10.42	121.36	186.88	347.51	508.73	537.19	566.89	601.69
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-5.70	-1.20	-12.58	-13.20	-	-	-	-
Property Taxes	INR Million	-	-	-	-0.42	-0.88	-1.81	-2.83	-2.96	-3.11	-3.27	-3.44
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	-	-6.12	-2.08	-14.39	-16.03	-2.96	-3.11	-3.27	-3.44
<b>Net operating Income</b>	<b>INR Million</b>	-	-	-	4.30	119.28	172.51	331.48	505.76	534.07	563.61	598.25
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	7038.26	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	-70.38	
<b>Total Net Income</b>	<b>INR Million</b>	-	-	-	4.30	119.28	172.51	331.48	505.76	534.07	7531.49	
Maintenance Capex	INR Million	-	-	-	-0.11	-1.90	-2.93	-5.49	-8.27	-8.75	-9.25	
Brokerage Expenses	INR Million	-	-	-	-10.58	-10.58	-17.22	-23.91	-6.12	-	-	
<b>Total Construction Costs</b>	<b>INR Million</b>	-174.84	-349.69	-579.32	-666.26	-676.66	-370.48	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	-174.84	-349.69	-579.32	-672.65	-569.86	-218.12	302.06	491.38	525.32	7522.24	-

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Future Development: Mixed Use (Retail)**

Year		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	-	-	-	9.89	388.54	1,025.80	1,451.44	1,580.93
O&M Markup	INR Million	-	-	-	-	-	-	10.15	96.02	204.39	271.81	283.95
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	-	-	20.04	484.56	1,230.19	1,723.25	1,864.87
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	-	-	20.04	484.56	1,230.19	1,723.25	1,864.87
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	(108.68)	(95.33)	(27.30)	-	-
Property Taxes	INR Million	-	-	-	-	-	-	(5.43)	(7.60)	(7.98)	(8.38)	(8.80)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	-	-	-	-	(114.11)	(102.93)	(35.28)	(8.38)	(8.80)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	-	-	-	-	(94.06)	381.63	1,194.91	1,714.87	1,856.08
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	21,836.20	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(218.36)	
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	-	-	-	-	-	-	(94.06)	381.63	1,194.91	23,332.71	
Maintenance Capex	INR Million	-	-	-	-	-	-	(0.20)	(7.77)	(20.52)	(29.03)	
Brokerage Expenses	INR Million	-	-	-	-	-	-	(33.13)	(101.87)	(106.96)	(18.26)	
<b>Total Construction Costs</b>	<b>INR Million</b>	-	-	(559.03)	(2,236.12)	(2,236.12)	(2,236.12)	(559.03)	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	-	-	(559.03)	(2,236.12)	(2,236.12)	(2,236.12)	(686.42)	271.99	1,067.43	23,285.42	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



## Annexure 2: Ownership Structure

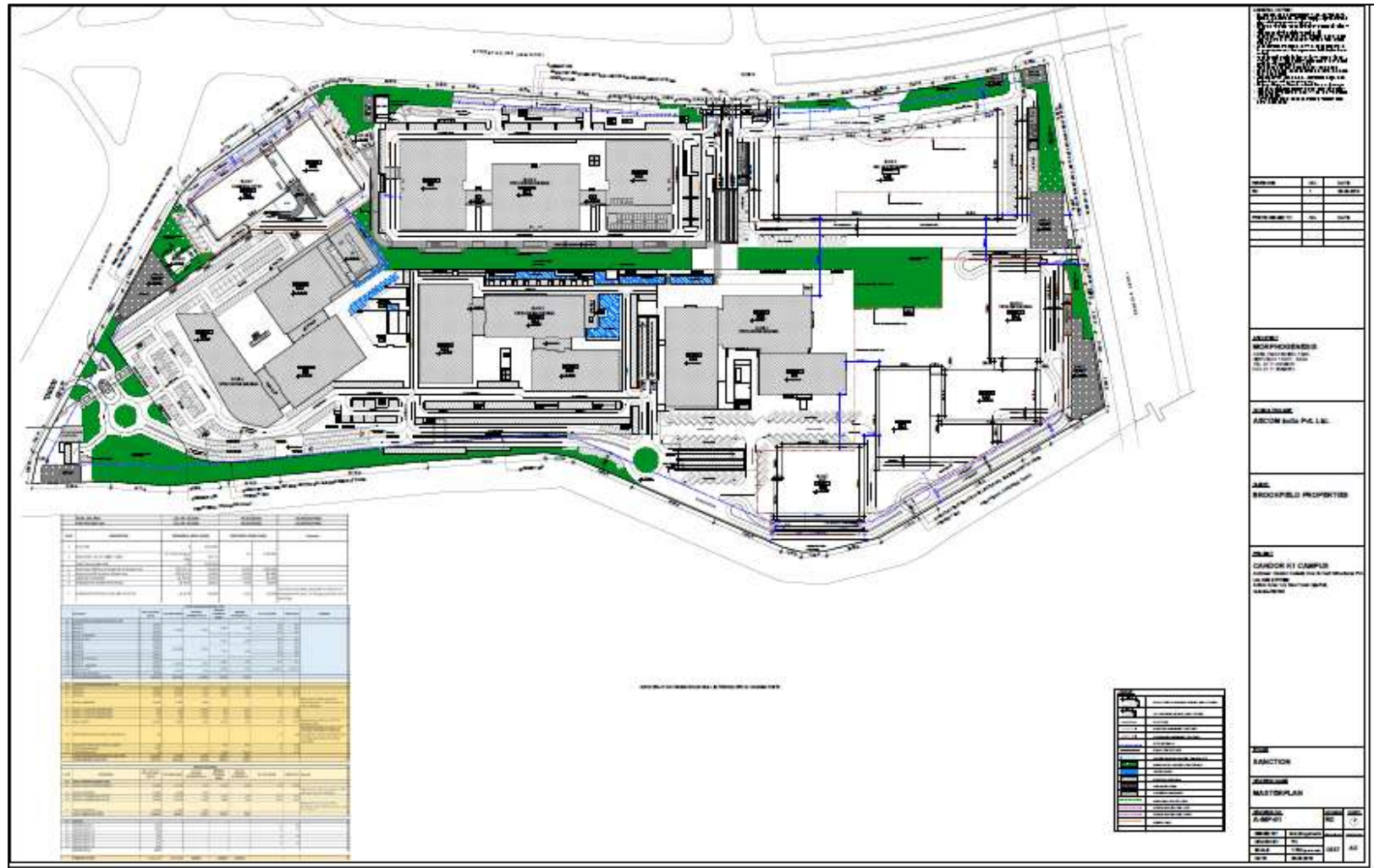


### Note:

By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from 4 May 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020.



Annexure 3: Site Layout (Complete & Future Development)



Source: As provided by client



**Annexure 4: Subject Property Photographs**



View of Tower A1



View of Tower A3



View of Tower G3 and C2



View of Tower C3



View of Tower G1



View of Tower G3



Under-Construction Commercial Block



View of Electrical room



View of Parking Area



View of Generator Room

**Annexure 5: Statement of Key assets**

Building	No/Name		A1	A2	A3	B1	B2	B3	C1	C2	C3	G1	G2	G3
No of DG Capacity	KVA		6 x 1250 KVA			5 x 1010 KVA			2 x 1010 KVA, KVA		4 x1500	8 x 1250 KVA		
No of Transformer/Capacity	KVA		4 x 2500 KVA			3 x 2000 KVA			2 x 1500KVA 1x 1000KVA		1 x 2500KVA	2 x 2000 KVA. 1600 KVA		3 x
Chiller Rating	Tr		4 x 750 TR			2 x 750 TR 2 x 380 TR			4 x 525 TR. 1 x 200 TR.			3 x 750 TR x 186.5 TR		2
Cooling Tower	Tr		HVAC: 4 x 825 TR, 1 x 925 TR DG: 8 x 125 TR			HVAC: 2 x 825 TR, 2 x 450 TR, 1 x 500 TR DG: 5 x 125 TR			HVAC: 2 x 200 TR, 1 x 500 TR DG: 5 x 125 TR			HVAC: 2 x 825 TR, 2 x 250 TR, 1 x 500 TR 8 x 125 TR		DG:
FF System (Pumps & Engine)	KW/HP		Jockey: 2 x 10 HP Hydrant: 1 x100 HP Sprinkler: 1 x 100 HP Diesel Engine: 1 x 133 HP						Jockey: 2 x 10 HP Hydrant: 1 x 100 HP Sprinkler: 1 x 100 HP Diesel Engineer: 1 x 138 HP			Jockey: 2 x 10 HP Hydrant: 1 x 100 HP Sprinkler: 1 x 100 HP Diesel Engine: 1 x 105 HP		
Water Pumping System (Domestic & Flushing)	KW/HP		Domestic Transfer pump 2 x 15 HP Domestic Transfer pump 4 x 10 HP			Domestic Transfer Pump: 2 x 15 HP			Domestic Transfer pump: 3 x 10 HP Domestic Transfer pump: 1 x 25 HP			Domestic Transfer pump: 1 x 20 HP Domestic transfer pump: 1 x 10 HP		
STP Rating	KLD		NA											
Warm Shell/ Bare Shell			Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell

Source: Client



## **Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

### **Approvals Received**

- a) Building Plan Approvals for all existing/ under-construction buildings and amendments thereof
- b) Full Occupancy Certificates received for all the operational buildings except for C1, C2 and C3 wherein only Partial Occupancy Certificates have been received
- c) Consent to Establish (CTE)
- d) Fire NOC
- e) Height clearance NOC from AAI
- f) SEZ Approval for Authorized operations
- g) Consent to Operate (CTO)
- h) EC
- i) Extension of POC for Towers A1, A2 & B3

### **Approvals Pending**


Approvals for Under Construction and Future Development Area

### Ready Reckoner Rate

## Land Rate

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**Latest Notification for Temporary Reduction of Circle Rate/ IGR:**

<b>Government of West Bengal Finance Department (Revenue) <u>Nabanna, Howrah-711102</u></b>	
No. <u>1645 – F.T</u> FT/O/1A-01/2022 Stamp	Dated, Howrah, the 27 <sup>th</sup> September, 2022.
<b>ORDER</b>	
<p>Considering the economic slowdown due to Covid 19 pandemic, the Government in the Finance (Revenue) Department had considered the necessity for remission of Stamp Duty temporarily by 2% for several types of registration up to 31<sup>st</sup> January, 2022, vide Notification No. 1281-F.T dated 30<sup>th</sup> October, 2021.</p> <p>Government in the Finance Department also considered the issue of Circle Rate and considering the necessity, reduced the Circle Rate temporarily by 10% on all immovable properties situated in the State of West Bengal up to 31<sup>st</sup> January, 2022, vide Notification No. 1282-F.T. dated 30<sup>th</sup> October, 2021.</p> <p>Subsequently, to give further relief to the pandemic affected common people including home buyers, and also for generation of employment, the effective date of those two notifications was extended till 31<sup>st</sup> March, 2022, vide Order No. 133-F.T. dated 29<sup>th</sup> January, 2022 and thereafter till 30<sup>th</sup> September, 2022 vide Order No. 523-F.T. dated 31<sup>st</sup> March, 2022.</p> <p>Now, in the interest of public service and also considering the interest of the home-buyers who have suffered extremely due to Covid 19 pandemic, it has been decided by Government in the Finance Department to further extend the benefits of Notification No. 1281-F.T dated 30<sup>th</sup> October, 2021 and Notification No. 1282-F.T dated 30<sup>th</sup> October, 2021 till 31<sup>st</sup> December, 2022.</p>	
<p>By order of the Governor,</p>  Senior Special Secretary to the Government of West Bengal	

Source: [stamp\\_duty.pdf\(wbregistration.gov.in\)](#)

#### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by client, following major repairs/ upgrades have been taken up in the past:

- Installation of a 66 KV sub-station in the office park, which we believe has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for client's tenants;
- Undertaken renovations at the office park such as refurbishing the food court, landscaping and lobby improvements to enhance the overall experience;
- Resolved traffic congestion issues by streamlining the entry and exit from the campus and using RFID parking system; The Brookfield Group also worked with government agencies to manage the traffic outside the campus and maintain the road outside the campus; and
- Installed rooftop solar panels and additional rainwater harvesting pits to reduce its carbon footprint

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on independent market report prepared by C&WI and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the forecasts on demand, supply and pricing as undertaken by C&WI as part of an independent market/ industry research and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on the independent market report prepared by C&WI and her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.

4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum not exceeding the total fees paid for each instruction accepted. Unless specifically mentioned otherwise in the main report, the Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



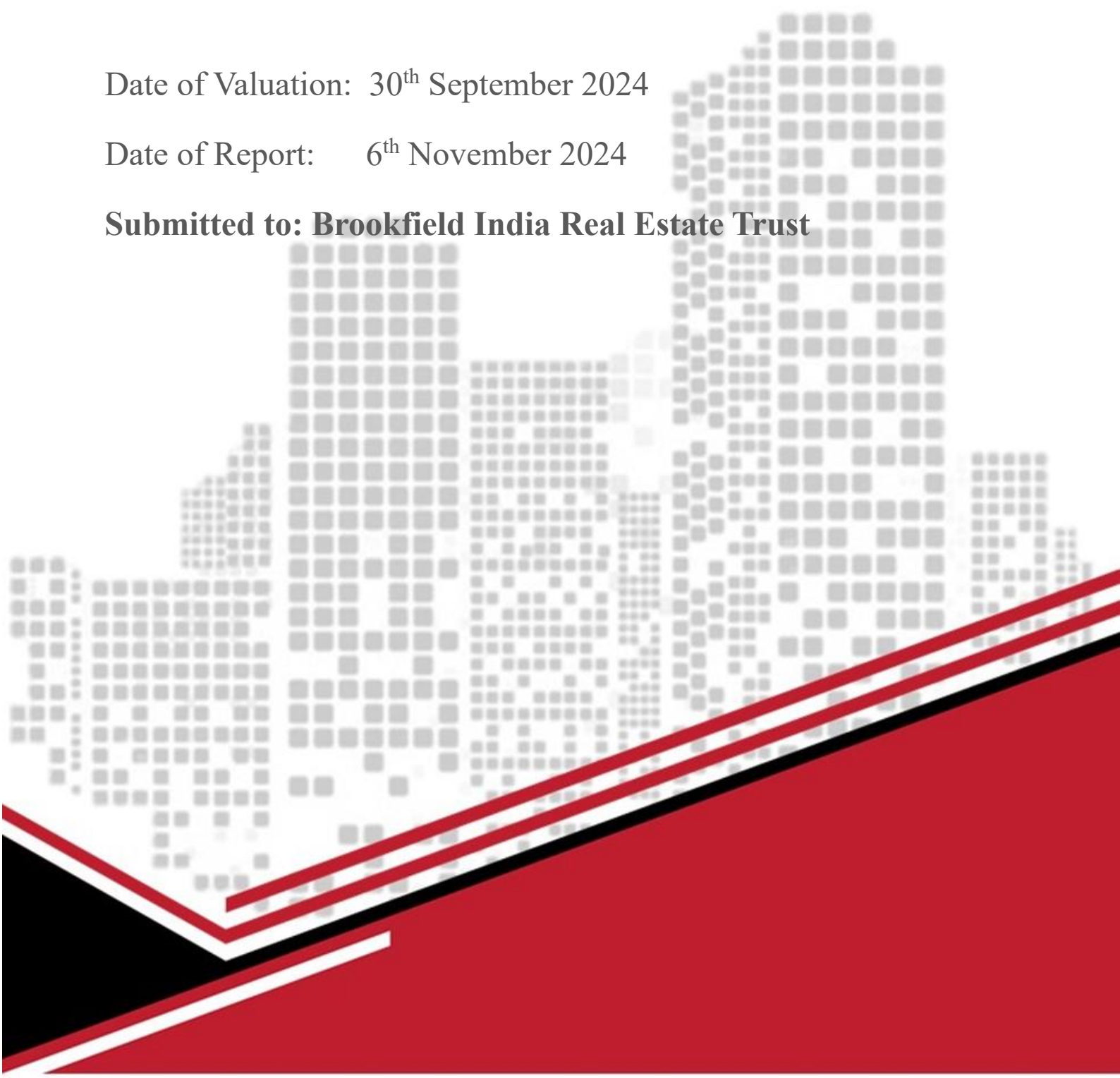
# VALUATION REPORT

## Candor TechSpace G2, Sector – 21, Gurugram, NCR

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

Submitted to: **Brookfield India Real Estate Trust**







## Disclaimer





*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28th August 2024 to Letter of Engagement ("LOE") dated 23rd December 2022 and amended through addendum letter dated 22nd September 2023 without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the as agreed upon in the Letter of Engagement ("LOE") dated 23rd December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

<b>Candor TechSpace IT/ITeS SEZ (G2), Sector-21, Gurugram, NCR</b>		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	 View 1 of the Subject Property
<b>Site Visit Date:</b>	20 <sup>th</sup> March 2024 (Subsequently no site visits have been conducted)	
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014.	
<b>Location / Situation:</b>	<p>Candor TechSpace G2 (herein after referred to as G2 and/ or Subject Property) is located on Old Delhi – Gurugram road, Dundahera, Gurugram, one of the prime office destinations of Gurugram.</p> <p>The Subject Property is accessible via Old Delhi Road (30-metre-wide road) which further connects to Dwarka Link Road on North and Gurugram city on South.</p> <p>The Subject Property lies in close proximity to various office assets such as DLF Cyber Park, Ambience Corporate Towers, DLF Cyber City, etc.</p> <p>The profile of surrounding development for the Subject Property constitutes developed residential and commercial developments. It is well connected with other parts of the city through road and metro rail network.</p>	 View 2 of the Subject Property
<b>Description:</b>	<p>G2 constitutes 13 completed buildings (with OC received) and 1 future development building. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower 1, 2, 3, 4 (Amenity Block-1), 4A (Amenity Block-2), 5, 6, 7, 8A, 8B, 9, 10 (MLCP), and 11</li> <li>Future MLCP Leasable Area : Tower 10<sup>th</sup> floor 4<sup>th</sup>.</li> <li>Future development (1) : Building name is Not Available (NA)</li> </ul> <p>The Completed buildings collectively admeasure 39,39,752 sq. ft.<sup>#</sup> of leasable area. Currently the committed occupancy in the Completed buildings is 76.2% *. The Subject Property is an IT/ITeS SEZ development. As per the information provided by the Client 4,81,344 sq. ft. of leasable area is under process of getting converted into Non SEZ area.</p> <p>The Future leasable area is 45,460 sq. ft.<sup>##</sup> with which LOI has been signed as per the information provided by the client.</p> <p>The Future Development has a leasable area of 1,21,995 sq. ft.<sup>###</sup> The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. The future development having leasable area 99,924 sq. ft. is expected to be ready by Q3 FY 2026 -27.</p> <p>The Subject Property offers state-of-the-art new office towers, cafeteria, creche, convenience store, rejuvenated terrace with an open sit-out area etc. It also provides a wide- range of new features such as touchless visitor management system, centralised command center, etc.</p>	 View 3 of the Subject Property   View 4 of the Subject Property



<b>Total Area:</b>	Total Land Area: 28.526 Acres Completed Leasable Area: 39,39,752 sq. ft. <sup>#</sup> Future MLCP Leasable Area: 45,460 sq. ft. <sup>##</sup> Future Development Leasable Area: 1,21,995 sq. ft. <sup>###</sup> Total Leasable Area: 41,07,207 sq. ft.	
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Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.

<sup>#</sup> The increase in leasable area is due to change in efficiency.

<sup>##</sup> As per details shared, entire 4th floor of tower-10 (MLCP) has been converted from parking area to leasable office area. The corresponding leasable area is 45,460 sq. ft. It is to be noted that the approval has been received for the conversion and the OC is still awaited. The same is under construction and has been valued along with completed building.

<sup>###</sup> As per details shared, part area of tower-10 (MLCP) ground floor has been converted from parking area to leasable office area. The corresponding leasable area is 22,071 sq. ft. It is to be noted that the approval has been received for the conversion and the OC is still awaited. As per the management representation provided by the Client the same is future development and not expected to be leased in the foreseeable future, therefore the same not to be valued.

### MARKET VALUE OF THE SUBJECT PROPERTY BASED ON

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 44,330 Million	Indian Rupees Forty-Four Billion Three Hundred and Thirty Million Only
Future Development	30 <sup>th</sup> September 2024	INR 563 Million	Indian Rupees Five Hundred and Sixty-Three Million Only

*\*Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as "Candor Gurgaon Two Developers & Projects Private Limited"; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited.*

*Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.*

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Subject Property:** Candor TechSpace G2, Sector – 21, Gurugram, NCR

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred to as the “Valuer”), in order to undertake the valuation of office property located in Gurugram (hereinafter referred to as “Subject Property” and/or “Candor TechSpace G2”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The Subject Property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha Vijay is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouseCoopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. L. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. L. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### 3 Independence and Conflicts of Interest

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### 4 Purpose of Valuation

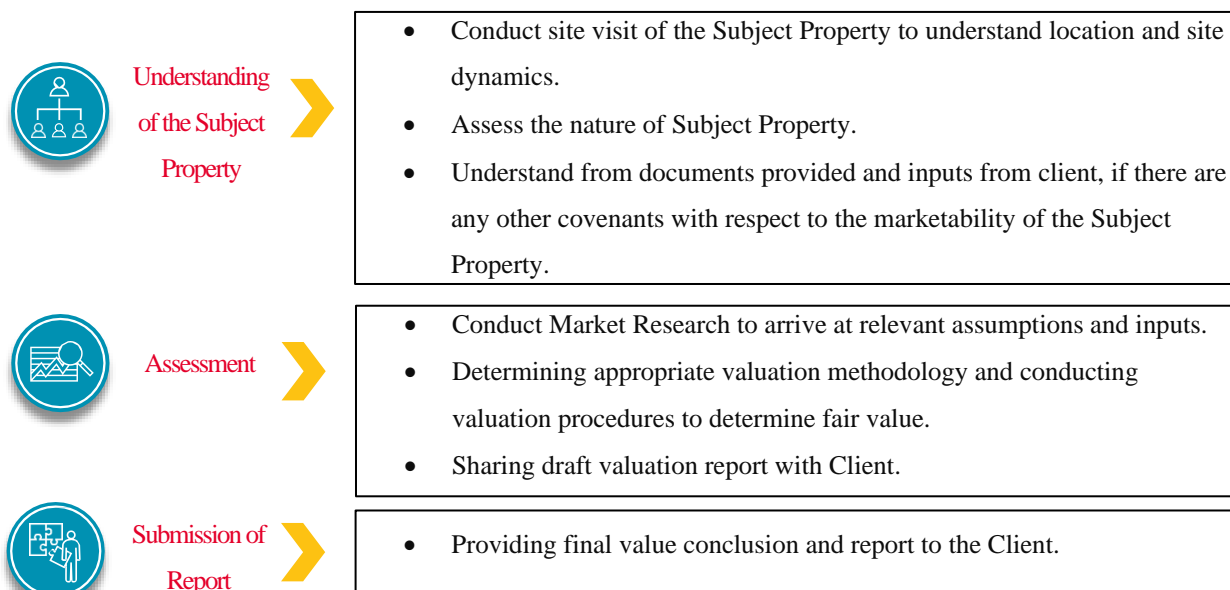
The purpose of this valuation is for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### 5 Basis of Valuation

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as *‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’*

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same has been derived by the following approach:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the Subject Property to prospective tenants, typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/ above market leases on the valuation of the Subject Property.

***For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.***

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## 8 Inspection

The Subject Property was inspected on 20<sup>th</sup> March 2024 (Subsequently no site visits have been conducted) by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## 9 General Comment

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Subject Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any purpose other than for which this valuation exercise has been undertaken for.

## 10 Confidentiality

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## 11 Authority

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by him due to such usage other than for the purpose as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in her favor, reasonably satisfactory to him for any use of the Report



other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement to **Brookprop Management Services Private Limited ("Manager")**, the **Brookfield India REIT ("Brookfield REIT")** and auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), credit rating agencies and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers. The Valuer, however, would extend no liability to such reliant parties.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation ("Reliant Party") and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

## 14 Disclosure and Publication

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate



Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

## **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under the LOE including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate the LOE without any liability or obligation on her part.

Such termination of the LOE shall not in any way prejudice the rights and obligations (including payment for the services delivered under the LOE) already accrued to the Valuer, prior to such termination.



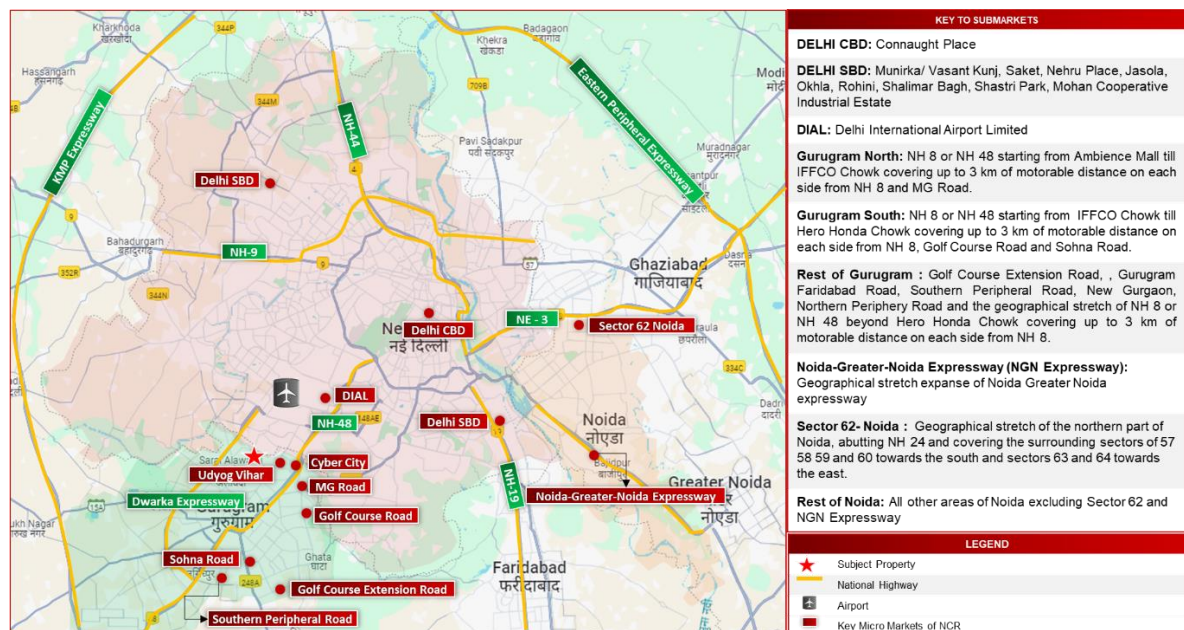
## **B National Capital Region Overview**

For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out Industry and market report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (Source: www.un.org). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan. In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



Source: Cushman and Wakefield Research

(Map not to scale)

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Gurugram Others)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida–Greater Noida (NGN) Expressway & Rest of Noida)
4. DIAL



Particulars	NCR overall	Delhi	DIAL	Gurugram	Noida*	Gurugram North^
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33	29.40
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62	27.51
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%	6.4%
<b>Avg. Annual Absorption – CY 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16	1.45
<b>Future Supply – Q4 CY 2024 E – CY 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09	3.60
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55	115

The table below highlight the key statistics of NCR's office micro markets:

Source: Cushman and Wakefield Research

Notes:

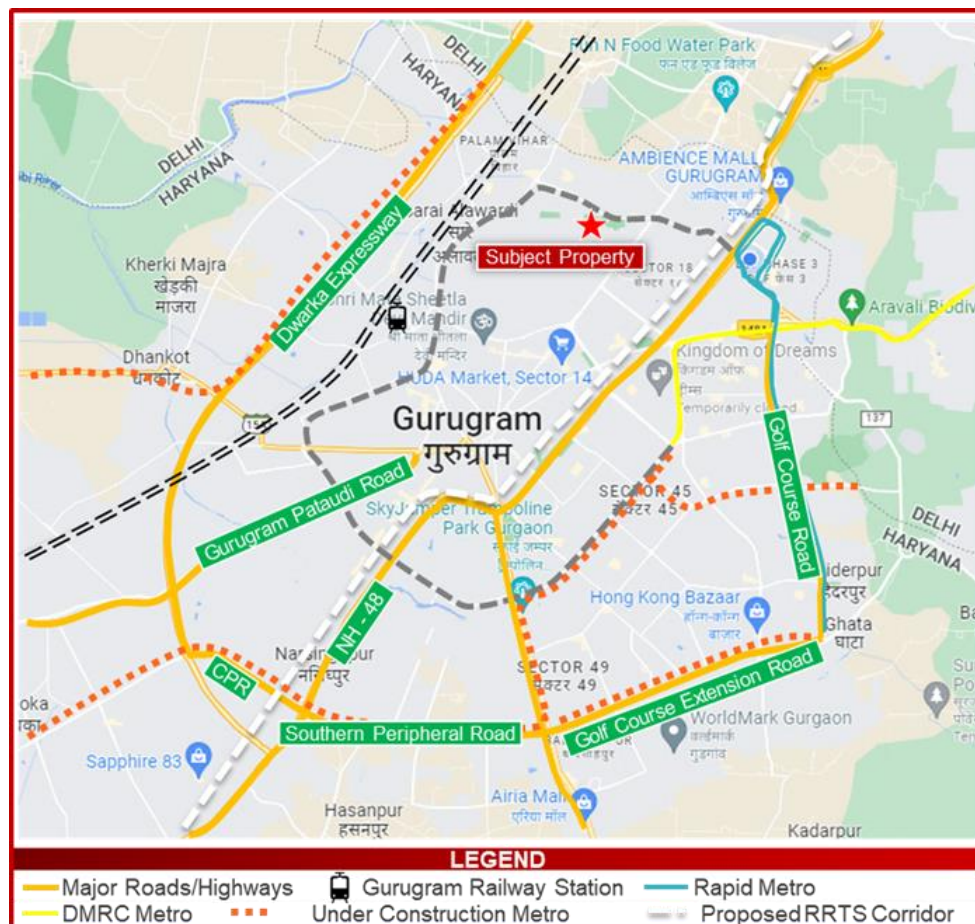
1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT's city market for the Subject Property.
4. ^Competitive REIT's micro market within Brookfield India REIT's city market for Subject Property.
5. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
9. Rentals presented above are weighted average values on completed stock.

## 2 Brookfield India REIT's City Market – Gurugram

Candor TechSpace G2 is a freehold, Grade-A asset located in Gurugram city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

Gurugram (often called the millennium city) is located towards the South-West of Delhi. Gurugram falls under the Indian state of Haryana. Gurugram district is the second largest city of Haryana and serves as its industrial and financial center. As per the Census 2011, Gurugram has the 3rd highest per capita income in India after Chandigarh and Mumbai. The area of the Gurugram District is 1,258 sq. km. Connaught Place, the CBD of Delhi is at approximately 22 km from Cyber City, the CBD of Gurugram. Further, the Indira Gandhi International Airport which is currently the only International Airport servicing the civil aviation demands of NCR is located at approximately 12 km from Cyber City. Compared to other suburban locations in Delhi, Gurugram enjoys several competitive advantages like presence of large multi-national corporations (MNCs) and their corporate office hubs, presence of multiple nationalized developers, connectivity, support infrastructure etc. Locational advantages along with presence of physical and social infrastructure has helped Gurugram to emerge as one of the prime office markets of NCR.



Source: Cushman and Wakefield Research  
(Map not to scale)  
Note: CPR stands for Central Peripheral Road

*Note: The DMRC Yellow Line metro is under construction and will be extended from Millenium City Centre Gurugram to Udyog Vihar, via Old Gurugram and finally terminating at Cyber City rapid metro station. Also, a station for Delhi – Alwar RRTS is proposed to enter Gurugram from Aerocity with a station at Cyber City and Rajiv Chowk on NH – 48. The source for the said metro routes is the information available in the public domain and may differ subject to final approvals.*

The established office clusters of Gurugram are concentrated towards Cyber City, Udyog Vihar, MG Road, Golf Course Road and Sohna Road. Golf Course Extension Road is the next emerging office location after the clusters stated above. Gurugram is primarily characterized by investment grade developments offering modern amenities. To name a few, established players like DLF, Brookfield, Hines, Vatika, Tata Realty, Ascendas, Bharti etc. have their footprint in Gurugram.

The retail landscaping of Gurugram is skewed towards retail mall format. MG Road, Golf Course Road, Sohna Road and NH 48 are the established retail mall locations of Gurugram. Galleria Market in DLF Phase – IV is one of the prominent high streets in Gurugram. Presence of a significant young working population in Gurugram led to the emergence of new formats viz. F&B hubs like DLF Cyber Hub, Sector 29 and 32nd Milestone, and are well accepted now. Golf Course Extension Road, Southern Periphery Road and Northern Periphery Road are the emerging locations for retail development. Golf Course Extension Road will have a healthy mix of high street and retail mall development formats.

The established residential clusters of Gurugram are concentrated towards Golf Course Road, Sohna Road, Sector 51 – 56 and Udyog Vihar. Golf Course Extension Road is the next emerging residential location after the clusters stated above. Southern Periphery Road and Northern Periphery Road are the upcoming residential locations.

Gurugram is divided into three office micro markets:

- Gurugram North – NH 48 starting from Ambience Mall till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road. The Subject Property is located in Gurugram North micro market.
- Gurugram South – NH 48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48, Golf Course Road and Sohna Road.
- Rest of Gurugram – Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurugram, Northern Periphery Road and the geographical stretch of NH 48 beyond Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48.

The key drivers of demand for office space in Gurugram are as follows:

- **Connectivity and linkages:** Gurugram is well connected to other nodes of NCR via robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International airport:** Gurugram is in close proximity to airport and hence attracted large occupier base to the city. Its closeness to airport helped the city to grow at a very fast pace.
- **Presence of social and lifestyle infrastructure:** Along with good physical infrastructure the city offers a healthy mix of social and lifestyle infrastructure. Presence of good schools like Shri Ram, Shiv Nadar, Lotus valley, Suncity etc.; good hospitals like Artemis, Medanta, Fortis etc.; retail malls like Ambience mall, MGF Metropolis etc.; F&B formats like Cyber Hub, 32nd Milestone, Sector 29 etc.; crèche like



Klay, IPSAA, Footprint etc.; has made Gurugram as one of the most preferred micro markets for the working population. The city offers easy accessibility to the amenities required by the working population to lead life independently.

- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** As the city is accessible through multiple modes of transportation and it offers residential spaces across various price categories, it attracts talent pool from all adjoining locations.
- **Healthy mix of commercial, IT/ITeS and SEZ developments:** Gurugram offers a healthy mix of commercial, IT/ ITeS and SEZ office space and hence attracts the occupier base across categories.

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 64.49 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 52.05 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 19.3%
<b>Annual Net Absorption (CY 2022 – 9M CY 2024)</b>	Approximately 2.84 msf
<b>Future Supply (Q4 CY 2024E – 2026 E)</b>	Q4 CY 2024E: Approximately 1.05 msf CY 2025E: Approximately 4.27 msf CY 2026E: Approximately 2.74 msf

## 2.2 Key Statistics - Gurugram

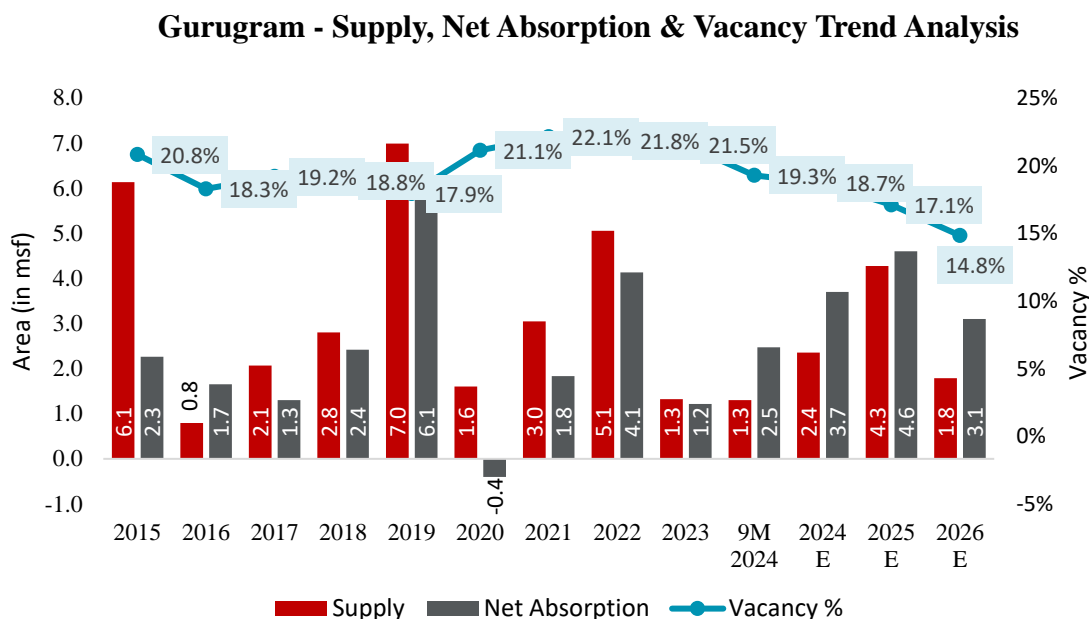
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

## 2.3 Supply, Absorption & Vacancy

The supply, absorption & vacancy trend for Gurugram is as follows:



Source: Cushman and Wakefield Research

### Notes:

- Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
- Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
- The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

Evolution of Gurugram as an office market has been phenomenal. With Gurugram emerging as an alternate to Delhi, it has witnessed multiple patterns of development viz. from strata sold developments to fully owned buildings and to integrated / campus developments. Supply introduced in the market in recent years has followed the demand characteristics, which gave rise to suitable patterns and quality of developments as required by the occupiers. Larger integrated / campus developments offering adequate floor plates and options for consolidation and expansion is the need of the hour. The city has been constantly striving to meet these requirements.

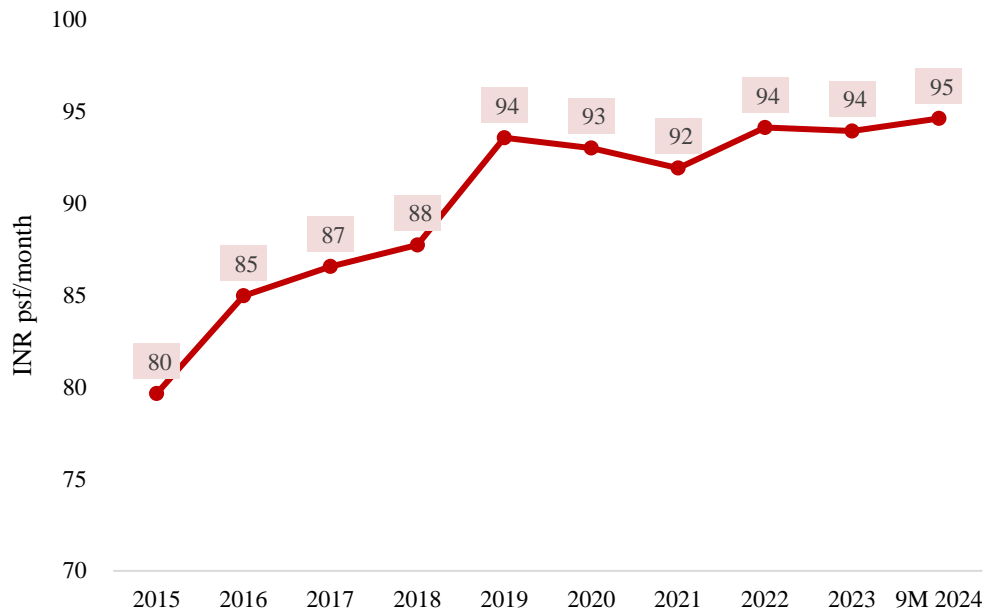
The micro markets in Gurugram developed their individual flavours in terms of nature of developments (campus and integrated) and larger developers created an ecosystem favouring their developments. With infrastructure getting a boost from the government and city limits expanding, office spaces offering better amenities are preferred over others. In 9M CY 2024, net absorption reached 2.5 msf, surpassing the total supply of 1.3 msf for the same period. The vacancy as on 9M CY 2024 is 19.3%.

Further, with increased hiring across the sectors the new demand is likely to keep growing for the office market. Gurugram's nature of hosting diverse demand from sectors like Technology, BFSI, professional services, media and telecom would help keeping the net absorption figures growing. In our view, the future supply would follow net absorption trends, maintaining the real estate growth momentum in the city.

## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:

### Gurugram – Quoted Rental Trend



Source: Cushman and Wakefield Research

#### Notes:

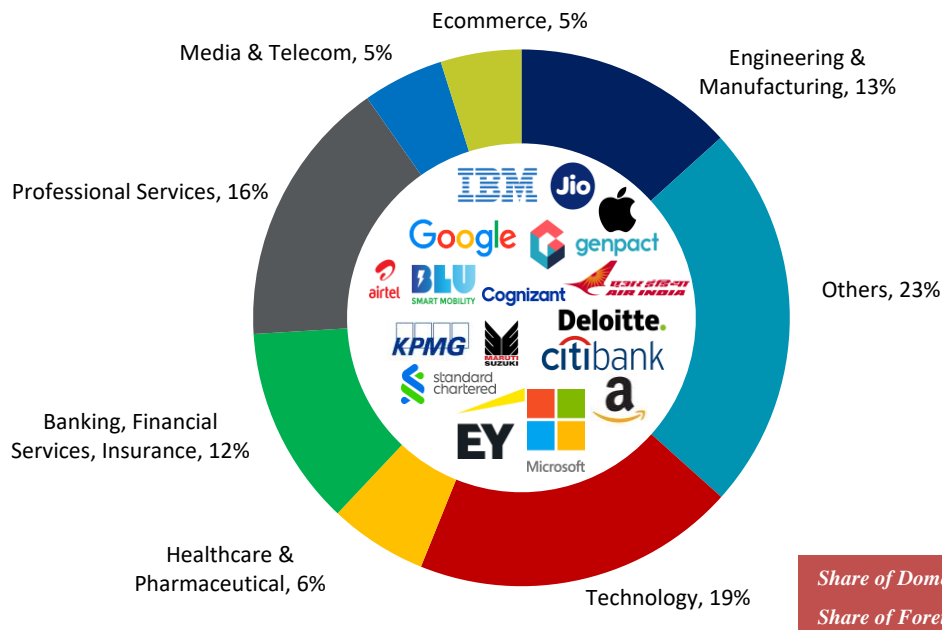
1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across Gurugram.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for competitive REIT Gurugram properties have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.

Gurugram witnessed the rental growth of approximately 3.3% between year CY 2015 to CY 2018 and witnessed sharp spike in year CY 2019, resulting in a rental growth of ~6.6% from CY 2018. Since 2019, the rental in Gurugram has remained stable.



## 2.5 Sectoral Demand Analysis – Gurugram (2015 – 9M CY 2024)

### Key Industries present in Gurugram (CY 2015 – 9M CY 2024 ~54.49 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. Others includes Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
2. The sectoral absorption analysis is based on gross absorption activity of Gurugram's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.
3. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.

Gurugram's office supply constitutes an equal mix of commercial and IT/ITeS developments and reflects similar positioning in demand. Technology is the prominent sector contributing 19% to the overall demand. The other prominent industries contributing 41% to the demand are professional services (16%), BFSI (12%) and Engineering & Manufacturing (13%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Gurugram is 60:40.

### **3 Gurugram North – Competitive REIT Micro Market**

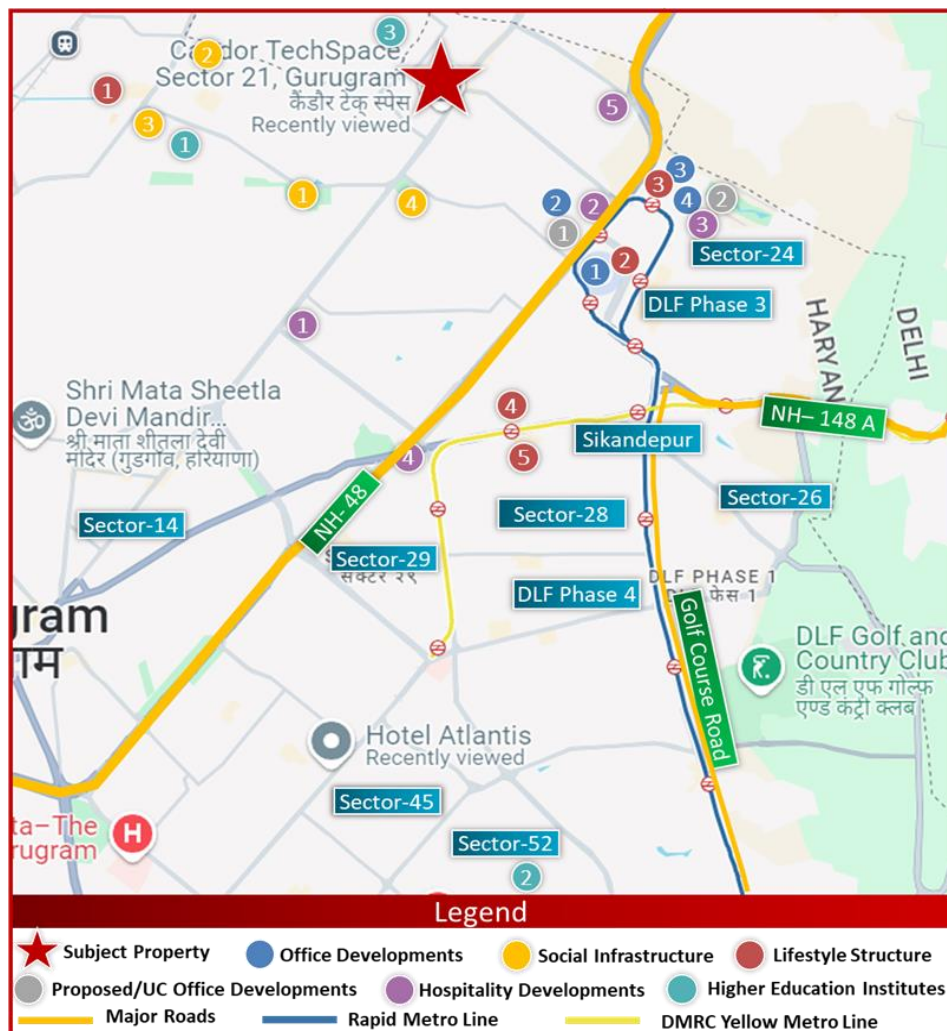
#### **3.1 Overview**

Gurugram North is the largest office micro market of Gurugram. It is an established office, residential and retail destination of Gurugram. The office supply in this competitive REIT micro market is interspersed between investment grade and sub-investment grade developments. The office supply constitutes a mix of IT and Non-IT developments primarily skewed towards IT.

Residential supply in this micro market constitutes a mix of independent plotted development and high-rise group housing developments catering to Middle-Income, Upper Middle-Income Group and High-Income Group. The retail landscaping of Gurugram North is a mix of high street and retail malls. The office supply additions here are primarily driven by DLF.

Emergence of DLF Cyber City as an office and leisure destination has resulted in upgrading the available infrastructure, imposing a positive impact on the competitive REIT micro market. Some of the prominent office developments in this micro market are DLF Cyber City, Candor TechSpace G2, DLF Cyber Park, RMZ Centra One etc. G2 is within close proximity to some of the renowned hotels like The Oberoi/ Trident, Hyatt Place, Radisson, Leela Ambience etc.

### 3.2 Social and Physical Infrastructure



Source: Cushman and Wakefield Research  
(Map not to scale)

Key	Social	Lifestyle	Proposed/Under	Hospitality	Higher
Commercial	Infrastructure	Infrastructure	Construction	Developments	Education
Developments			Office		Institutions
			Developments		

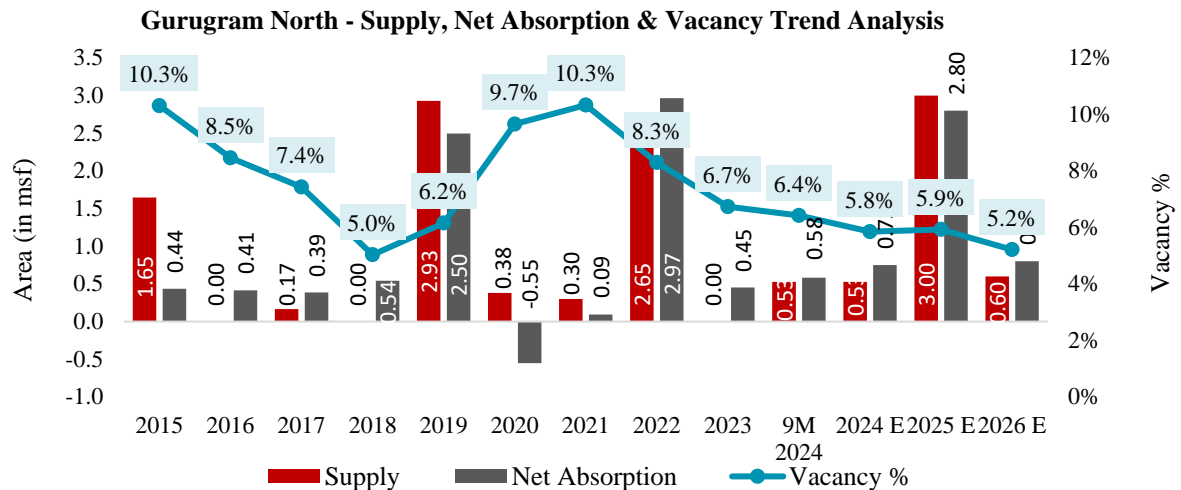
Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF Cyber City (3.2 km)	1. Rotary Public School (1.5 km)	1. Ansal Plaza (4.2 km)	1. DLF Atrium Place (2.5 km)	1. Hotel Hyatt Place (1.8 km)	1. Northcap University (3 km)
2. DLF Cyber Park (2.1 km)	2. Swiss Cottage School (4 km)	2. DLF Cyber Hub (3.2 km)	2. DLF Downtown Block 4 (4.7 km)	2. Oberoi/Trident Hotel (2 km)	2. ICAI Business School (>100 mtr)

3. Ambience Corporate Towers (6.6 km)	3. Columbia Asia Hospital (4.2 km)	3. Ambience Mall (5.1 km)		3. Hotel Leela (6.6 km)	3. Fairfield Institute of Management & Technology (2.5 km)
4. DLF Downtown Block – 2 & 3 (4.7 km)	5. KLAY Preschool & Day Care Center (500 m)	4. MGF Metropolitan Mall (7.2 km)		4. Westin Hotel (6.5 km)	
		5. City Centre Mall (7.1 km)		5. Radisson Hotel (3.2 km)	

Sector 21, Gurugram, where the Subject Property is located, lies on a road (Old Gurugram road) running parallel to NH 48, which is the main road, connecting Gurugram to other cities of NCR. There are multiple connecting roads which connect Old Gurugram road to National Highway 48. Old Gurugram road is also a major road providing connectivity to the Subject Property through other parts of the city. Additionally, multiple U-turn under passes and flyovers at various intersecting junctions between NH 48 and Old Gurugram road has eased the traffic flow.

Indira Gandhi International Airport is located at approximately 9 km from competitive REIT's micro market (assuming Subject Property being the point of measurement). Currently the nearest metro station is Cybercity station on Rapid Metro line. The DMRC Yellow Line metro is under construction and will be extended from Millennium City Centre Gurugram to Udyog Vihar, via Old Gurugram and finally terminating at Cyber City rapid metro station and shall have 27 new stations.

### 3.3 Supply, Absorption & Vacancy Analysis



Source: Cushman and Wakefield Research

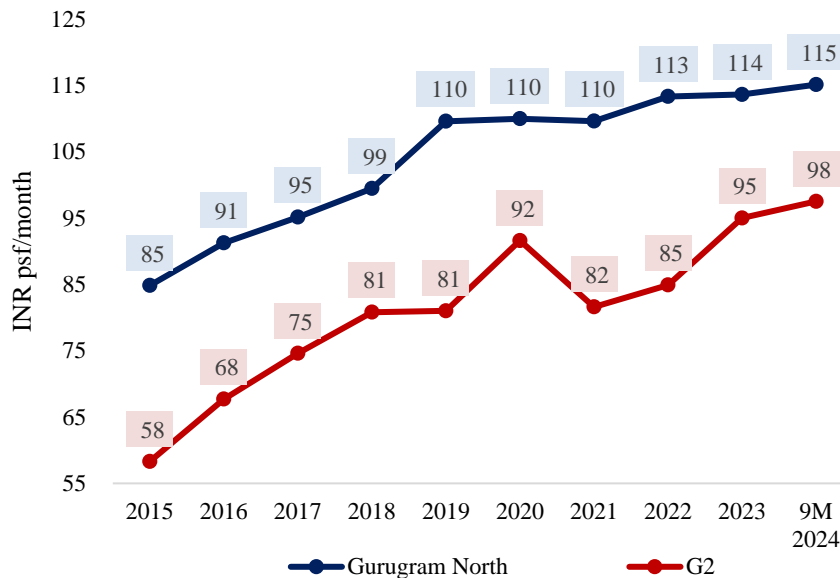
Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above chart.
2. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet across Gurugram North and applying certain other criteria.
3. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

Gurugram North refers to the geographical stretch of NH 48 starting from Ambience Island till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road. It is the biggest micro market of the city, contributing about 46% of total stock of Gurugram. Gurugram North has witnessed limited supply since 2015 and witnessed consistent demand from occupiers. Gurugram North benefits from its location and presence of established players like Brookfield and DLF. The competitive REIT micro market offers large integrated office developments addressing the office space requirements of large occupiers. The quality of developments coupled with locational advantages will continue to drive demand for the micro market. The competitive REIT micro market has seen declining trend in the vacancy since 2021. Absorption as of 9M CY 2024 for the competitive micro market is 0.58 msf with vacancy at 6.4%. As of 9M CY 2024, the absorption level of 0.58 msf has already exceeded the total absorption of 0.45 msf recorded in CY 2023.

### 3.4 Rental Trend Analysis

**Gurugram North & G2 – Quoted Rental Trend**



Source: Cushman and Wakefield Research

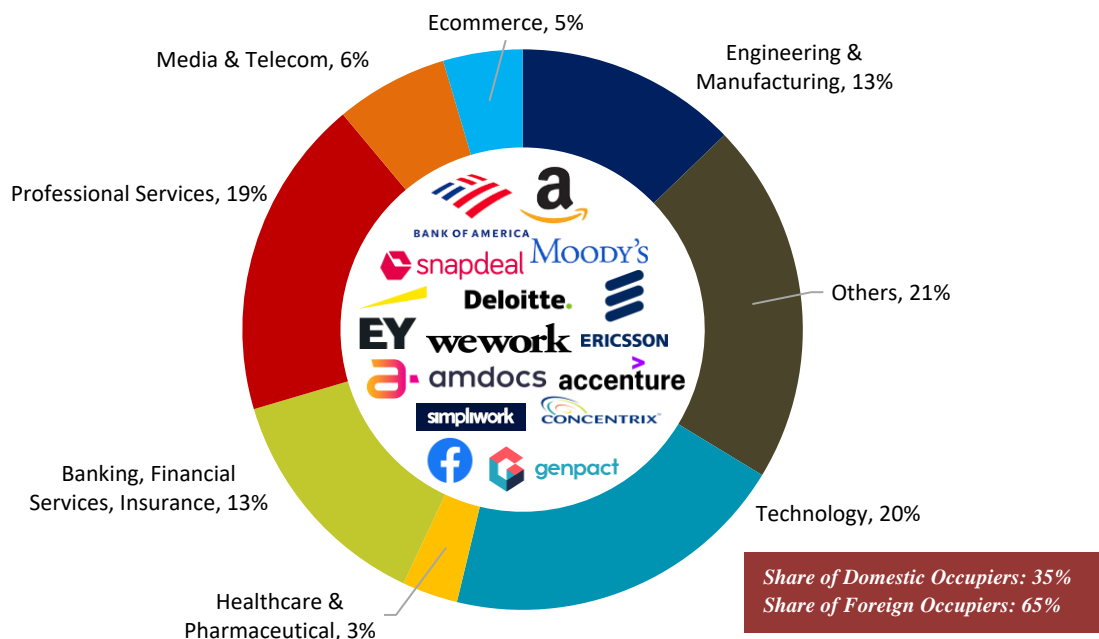
**Notes:**

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals for Candor TechSpace G2 have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Rentals presented above are weighted average values on completed stock.

Gurugram North is the micro market closer to Delhi, IGI airport as well as easily accessible by NH 48 and hence enjoys superior connectivity with Delhi and NCR at large, as compared to the rest of Gurugram. The competitive REIT micro market has been developed majorly by players like DLF, Brookfield, Ambience, BPTP etc. and hence offers quality developments with better amenities. Gurugram North is also benefiting with regular infrastructure upgradation. This micro market has witnessed above average rental growth as it has managed to attract significant occupier base owing to its access to physical infrastructure and social amenities like F&B hubs at Cyber hub, Sector 29 etc. which are sought after by contemporary working population. Rental trend analysis suggests that G2 has witnessed a rental growth of 6.1% as compared to a growth of 3.5% in the competitive REIT micro market over the same period i.e from 2015 to 9M CY 2024.

### 3.5 Sector Demand Analysis (CY 2015 – 9M CY 2024)

#### Key Industries present in Gurugram North (CY 2015 – 9M CY 2024 ~27.77 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. Others includes Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
2. The sectoral absorption analysis is based on gross absorption activity of Gurugram North's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.
3. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.

Gurugram North is dominated by Technology and Professional Services sector which together contributes 39% of the leasing activity in the period CY 2015 – 9M CY 2024. The tenants are attracted to the competitive REIT micro market due to availability of good physical and social infrastructure. The technology occupiers in this micro market are involved in the activities of software development, process engineering, research and development etc. The other prime contributors to the demand are Engineering & Manufacturing and BFSI, together contributing 26%. The engineering occupiers in this micro market are involved in the activities of telecom research & development, automobile sales etc. The mix of foreign and domestic occupants in Gurugram North is 65:35.





#### **4 Market Outlook**

Gurugram North comprises some well-established office developments in the Competitive REIT Micro Market includes Candor TechSpace G2, DLF Cyber City, DLF Cyber Park, DLF Downtown etc.

A declining trend in the vacancy has also been observed since 2021. The net absorption as of 9M CY 2024 for the competitive REIT Micro Market is 0.58 msf with vacancy at 6.4%. Further, despite the anticipated supply of approximately 3.60 million sq. ft. between CY 2025E and CY 2026E, vacancy rates are expected to remain stable, ranging between 6% and 7%, driven by sustained demand from occupiers.

According to the market assessment provided, the current weighted quoted average market rentals of Competitive REIT Micro Market is INR 115 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The Competitive REIT Micro Market has witnessed a rental CAGR of 3.5%, as compared of 6.1% in the Subject Property over the same period.

Considering the well-maintained infrastructure, key location, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network), the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.

We expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs will further drive significant demand in the office real estate sector.



## **C      SUBJECT PROPERTY REPORT**

## **1 Address, Ownership and Title details of the Subject Property**

Address:	Old Delhi – Gurugram road, Dundaheera, Gurugram, Haryana – 122001, India
Ownership & title details:	<p>Land Tenure: Freehold.</p> <p>Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as “Candor Gurgaon Two Developers &amp; Projects Private Limited”; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%</p>

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Ind-Legal (Hereinafter referred to as ‘Legal Counsels’). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

## 2 Location

### 2.1 General

The Subject Property is located at Old Delhi – Gurugram road, Dundahera, Gurugram. G2 is accessible via Old Delhi-Gurugram Road (30-meter-wide road) which further connects Dwarka Link Road on North, NH 48 on East and Gurugram city on South. NH 48 is the main connecting road, connecting Gurugram to other cities of NCR. It is part of Gurugram North micro market which is one of the established office, residential and retail micro-markets of Gurugram. Gurugram's largest office cluster viz. DLF Cyber City is located in the micro market of Gurugram North. Being located in Gurugram North micro market, the Subject Property has access to good physical and social infrastructure.

G2 lies in close proximity to Cybercity Rapid Metro Station which further enhances its accessibility from different parts of NCR. The DMRC Yellow Line metro is under construction and will be extended from Millennium City Centre Gurugram to Udyog Vihar, via Old Gurugram and finally terminating at Cyber City rapid metro station and shall have 27 new stations.

The location map of the Subject Property is as follows:



Source: Cushman and Wakefield Research  
(Map not to scale)

**Site Boundaries:**

The site boundaries for the Subject Property are as under:

- North: Vacant Land Parcel
- East & South: Developed Commercial and Residential Group Housing Formats
- West: Vacant Land Parcel

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 02 km from NH 48 (Delhi – Jaipur highway)
- Approximately 03 km from IndusInd Cyber City Metro Station
- Approximately 03 km from DLF Cyber City (Gurugram CBD)
- Approximately 09 km from Gurugram Railway Station
- Approximately 09 km from IGI Airport
- Approximately 23 km from Connaught Place (Delhi CBD)

## **2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### 3 Subject Property - Asset Description

G2 is an IT/ITeS SEZ business park with 13 completed buildings along with 1 future development building. The listing of the buildings under each component is as follows:

**Completed buildings with Occupancy Certificate (OC) received**– Tower 1, 2, 3, 4 (Amenity Block-1), 4A (Amenity Block-2), 5, 6, 7, 8A, 8B, 9, 10 (MLCP), 11

**Future development** – The future development has a leasable area of 1,21,995 sq. ft.\*\* The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed.

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.) <sup>#</sup>	Status	Expected Completion Date
Tower 1	641,844	Completed	NA
Tower 2	567,124	Completed	NA
Tower 3	480,590	Completed	NA
Block 4 (Amenity Block-1)	67,802	Completed	NA
Block 4A (Amenity Block-2)	22,675	Completed	NA
Tower 5	25,071	Completed	NA
Tower 6	646,809	Completed	NA
Tower 7	443,898	Completed	NA
Tower 8A & 8B	541,962	Completed	NA
Tower 9	202,761	Completed	NA
Tower 10*	144,256	Completed + MLCP Leasable	NA
Tower 11	200,420	Completed	NA
Tower 10**	22,071	MLCP Leasable (Future Development)	NA
N.A	99,924	Future Development	Q3 FY 2026-27
<b>Total</b>	<b>41,07,207<sup>#</sup></b>		

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

<sup>#</sup> The increase in leasable area is due to change in efficiency.

\* The additional increase in area is on account of conversion of 45,460 sq. ft. MLCP to future leasable area. The same is considered in line with the architect's certificate and the cashflows have been calculated basis the LOI shared by the client. The same has been valued along with completed building.

\*\* The additional increase in area is on account of conversion of 22,071 sq. ft. MLCP to future leasable area. The same is considered in line with the architect's certificate. As per the management representation provided by the Client the same is future development and not expected to be leased in the foreseeable future, therefore the same not to be valued.

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received.

Particulars	Details
<b>Entity:</b>	Candor Kolkata One Hi-Tech Structures Private Limited
<b>Interest owned by REIT (%):</b>	Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as “Candor Gurgaon Two Developers & Projects Private Limited”; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.
<b>Asset Type:</b>	Approved IT/ITeS SEZ
<b>Sub-Market:</b>	Gurugram North
<b>Approved and Existing Usage:</b>	IT/ITeS SEZ
<b>Land Area (acres):</b>	~28.526
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	39,39,752 sq. ft. <sup>#</sup>
<b>Occupied Area:</b>	30,03,919 sq. ft.
<b>Committed Occupancy (%)*:</b>	76.2%
<b>Current Effective Rent (excluding parking):</b>	INR 84 per sq. ft. per month (office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	





INR 83 per sq. ft per month (Office, Retail and telecom tenants only)

**Number of Tenants:**

15\*\* (office)

*Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

Note:

*Refer company structure set out in (Annexure 2)*

*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area*

*\*\* Moody's (Group Companies) Includes (Mis Support Center Private Limited, Moody's Shared Services India Private Limited and Moody's Analytics India Pvt Ltd)*

*# The increase in leasable area is due to change in efficiency.*

**MLCP Future Leasable**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as “Candor Gurgaon Two Developers & Projects Private Limited”; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.
<b>Asset type:</b>	Approved IT/ITeS SEZ
<b>Sub-market:</b>	Gurugram North
<b>Approved Usage:</b>	IT/ITeS SEZ
<b>Leasable Area:</b>	45,460 sq. ft.*
<b>Status of construction:</b>	Proposed plan submitted OC awaited
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

\* As per details shared, part area of ground floor & entire 4th floor of tower-10 (MLCP) is proposed to be converted from parking area to leasable office area. The corresponding leasable area is 45,460 sq. ft. It is to be noted that the proposed plans are submitted for approval and the OC is still awaited. The same has been valued along with completed building.

**Future Development**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as “Candor Gurgaon Two Developers & Projects Private Limited”; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.
<b>Expected completion date of construction:</b>	Q3 FY 2026-27
<b>Asset type:</b>	Approved IT/ITeS SEZ
<b>Sub-market:</b>	Gurugram North
<b>Approved Usage:</b>	IT/ITeS SEZ
<b>Leasable Area:</b>	1,21,995 sq. ft.*
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

\* The future development having leasable area 99,924 sq. ft. is expected to be ready by Q3 FY 2026 -27. As per details shared, part area of tower-10 (MLCP) ground floor has been converted from parking area to leasable office area. The corresponding leasable area is 22,071 sq. ft. It is to be noted that the approval has been received for the conversion and the OC is still awaited. As per the management representation provided by the Client the same is future development and not expected to be leased in the foreseeable future, therefore the same not to be valued.

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 13 operational buildings along with one future development areas was physically inspected on 20 <sup>th</sup> March 2024 (Subsequently no site visits have been conducted).
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational buildings</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>Area provisioned for Future development.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Building:</b> <p>The operational buildings in the campus are Block 1, 2, 3, 5, 6, 7, 8A, 8B, 9, 11, two amenity blocks (Block 4 &amp; 4A) one MLCP (Tower 10), with OC received collectively admeasure 39,39,752 sq. ft. of leasable area.</p> <p>The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>Office: 10 office towers namely 1, 2, 3, 5, 6, 7, 8A, 8B, 9 and 11 having leasable area of 37,50,479 sq. ft. The office towers are occupied by multiple tenants. Major tenants in these towers are Accenture, TLG, Natwest, Carelon and Amdocs.</li> <li>Amenity Block: Two amenity blocks: Block 4 &amp; 4A having total leasable area of 90,477 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B (in the form of multi-cuisine food courts and in-house kitchens), pharmacy, bank ATM, creche, sports arena, wellness centre, convenience store, dental clinic etc. Major tenants in these blocks are JRD (Food Boulevard), Connaught Plaza (MCD), Dex Retail and PNR.</li> <li>MLCP: Tower 10 constitutes 98,796 sq. ft. of office area.</li> </ol> </li> <li> <b>MLCP - Future Leasable:</b> <p>A total of 45,460 sq. ft. is being considered as future leasable area basis the leasable area provided by the client. The OC for the area has been applied and future cashflows have been calculated basis on the client information.</p> </li> <li> <b>Future development:</b> </li> </ul>	



The Future Development has leasable area 1,21,995 sq. ft.\* The Future Development with leasable area of 99,924 sq. ft. is expected to be completed by Q3-FY 2026-27.

**Other Amenities**

- The Subject Property has STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.

**Awards & Certifications**

- G2 has been awarded IGBC Platinum Rating for sustainability in addition to the group wide ISO certification for Quality, GRESB 5-star rating, BEE 5-star rating, Environmental and Occupational Health & Safety Management Systems namely ISO 9001, ISO 14001 and OHSAS 18001

**Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 5,963 (including future developments) parking spaces.

**Other Observations**

- The Subject Property has two entry and two exit points which are managed according to the campus traffic circulation plan.
- Apart from regular upgradation activities, the Subject Property has witnessed a major revamp (both inside and outside the campus) leading to overall improved aesthetics.
- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- The utility areas also appeared well maintained, visually.
- No instances of any major logging or water accumulation were observed during the inspection.

*Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024*

*\* As per details shared, part area of tower-10 (MLCP) ground floor has been converted from parking area to leasable office area. The corresponding leasable area is 22,071 sq. ft. It is to be noted that the approval has been received for the conversion and the OC is still awaited. As per the management representation provided by the Client the same is future development and not expected to be leased in the foreseeable future, therefore the same not to be valued.*

**Note:**

- The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*
- The increase in leasable area is due to change in efficiency.*

### 3.3 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the properties forming part of the competitive REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30th October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~93% of leased area and ~94% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Accenture	11,15,526
2	Natwest Digital Services (RBS)	4,37,598
3	TLG (Sapient)	2,81,901
4	Amdocs Development Centre India LLP	2,69,730
5	Carelon Global Solutions India LLP	2,11,268
6	Saxo Group India Private Limited	1,18,252
7	EUI Limited	1,00,905
8	Moody's (Group Companies)*	93,848
9	BT E-Serv (India) Pvt. Ltd.	89,449
10	R1 RCM Global Private Limited	68,747
<b>Total</b>		<b>27,87,224</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

\*Moody's (Group Companies) Includes (Mis Support Center Private Limited, Moody's Shared Services India Private Limited, Moody's Analytics India Pvt Ltd)

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Accenture	39%
2	Natwest Digital Services (RBS)	15%
3	Amdocs Development Centre India LLP	9%
4	TLG (Sapient)	8%
5	Carelon Global Solutions India LLP	6%
6	Saxo Group India Private Limited	4%
7	EUI Limited	4%
8	Moody's (Group Companies)*	3%
9	BT E-Serv (India) Pvt. Ltd.	3%
10	R1 RCM Global Private Limited	2%
<b>Total</b>		<b>94%</b>

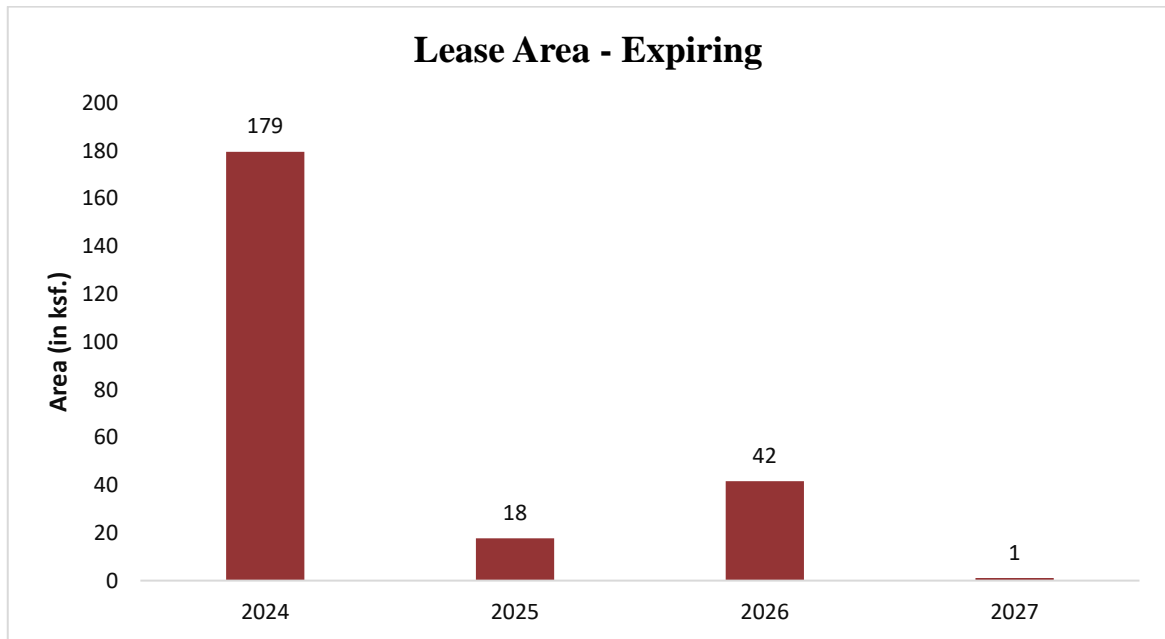
Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

\*Moody's (Group Companies) Includes (Mis Support Center Private Limited, Moody's Shared Services India Private Limited, Moody's Analytics India Pvt Ltd).



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 8.4 years, with ~8% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. The time-period for 2024 is considered from 1<sup>st</sup> October 2024 till 31<sup>st</sup> December 2024.

## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of commercial/ IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

Subject Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Subject Property Details: Completed Property including MLCP leasable area<sup>#</sup>

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	39,85,212 <sup>#</sup>
Area Leased	sq. ft.	30,49,379 <sup>#</sup>
Committed Occupancy*	%	76.5% <sup>#</sup>
Vacant Area	sq. ft.	9,35,833
Vacancy	%	23.5%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	sq. ft.	8,36,209
Existing Lease Rollovers	%	100%
Rent Free Period – Existing Leases (First Year)	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	5,963
Estimated Leasing Period	# of quarters	10

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024.

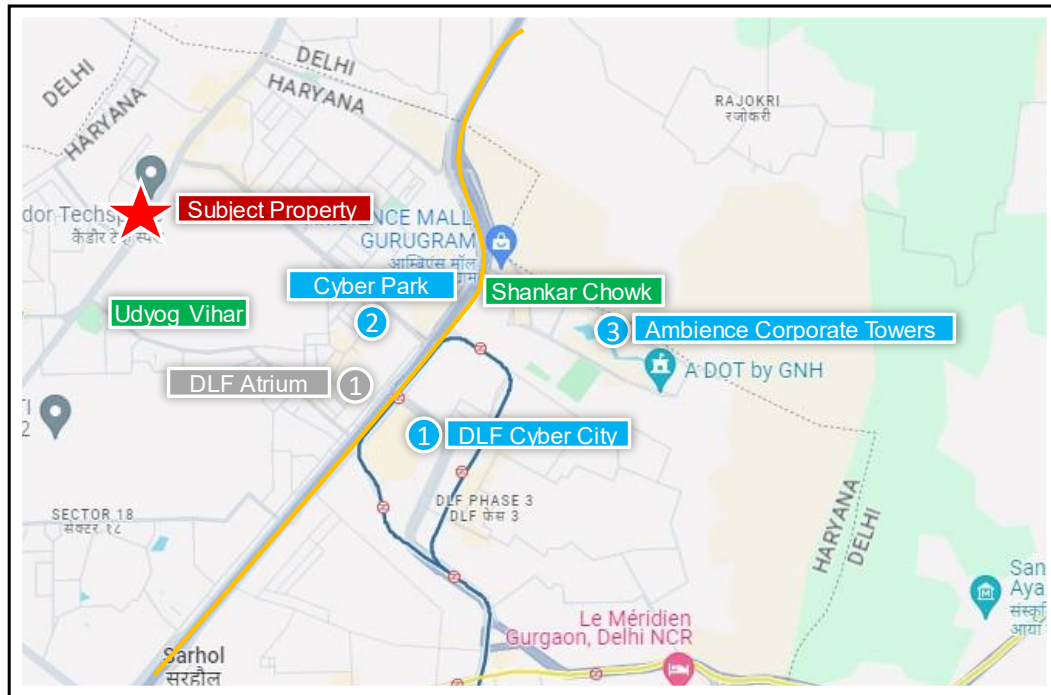
Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.

<sup>#</sup>As per details shared, entire 4th floor of tower-10 (MLCP) has been converted from parking area to leasable office area. The corresponding leasable area is 45,460 sq. ft. It is to be noted that the approval has been received for the conversion and the OC is still awaited. The same is under construction and has been valued along with completed building.

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2022 – 9M CY 2024, the Gurugram North micro market has witnessed an average annual net absorption of approximately 1.44 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 1.67 msf per annum till 2026E.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.84 msf within 10 quarters from Jan 2025 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2024.

**Subject Property and Relevant Existing/Upcoming Supply in the Gurugram North Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply and grey box signifies upcoming supply.

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 84.00
Achievable Market Rent – Office (Base) (Non SEZ Area)	Per sq. ft. per month	INR 93.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 114.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 90.00
Achievable Market Rent – Office (Base) (including Parking) (Non SEZ Area)	Per sq. ft. per month	INR 99.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 120.00
Other Income	Per sq. ft. per month	INR 0.26
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate –FY 26 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.5

*\*Note: CIOP (Candor India Office Park) provides project management services to the properties of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services*

- Market rent - office:**

- o Achievable market rent includes parking charges of INR 6 per sq. ft. per month (considering the parking rent of INR 5,000 per slot per month)
- o These transactions are from FY' 2023 to FY' 2025, approximately 0.24 msf was leased in the rental range of INR 80 – 102 per sq. ft. per month (including parking).

#### Lease Transactions from FY' 2023 to FY' 2025:

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
IT Company	2024	14,031	90
Telecommunication Company	2024	36,693	89
Professional Service	2024	52,308	80
Professional Service	2023	20,899	85
Telecommunication Company	2023	22,485	85
Financial Service Company	2023	36,693	94
IT Company	2023	20,899	102
Telecommunication Company	2023	36,693	89

*Source: Rent roll as at 30<sup>th</sup> September 2024 and Client Information*

- o Considering the location, accessibility, quality and size of the building, we expect the Subject property's monthly rental would be INR 90 per sq. ft. per month (inclusive of parking charges) for SEZ Area and INR 99 per sq. ft. per month (including parking charges) for Non SEZ Area as Non SEZ IT/ITeS area gets leased at a premium of 10% compared to SEZ area.



- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5% in the medium to long term. Therefore, we expect an annual growth rate of 5% from FY'26 onwards.
- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'25 ranges from INR 5 – 10 per sq. ft. per month. Further, the total CIOP expense for the period between 1<sup>st</sup> April 2024 – 31<sup>st</sup> March 2025 for G2 is considered to be INR 118 Million and escalated at 6.5% annually for subsequent years. Thus, the tenants are charged INR 3.65 – 8.54 per sq. ft. per month for the CIOP expense for the period, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 75% where it was more than 75%, when the area gets re-leased on expiry.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 7.10
Property Tax	Per sq. ft./month	INR 0.17
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

Please note that there is a general development expenditure of INR 738 million to be incurred on the Subject Property.

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards. Insurance cost forms a part of O&M cost and has been adjusted against the O&M Margin.
- **Transaction cost:** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value, indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/ low risk interest rates.

In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were pursued. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for public listing with better liquidity/ marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market player.

- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.

### **Future Development**

Please note that all assumptions mentioned above under the “Completed Property” section hold true for “Future development” buildings. The exceptions, if any, are as elaborated below:

### **Subject Property Details**

Subject Property Details	Unit	Future Development
Total Leasable Area	sq. ft.	1,21,995*
Stabilized Vacancy	%	2.5%
Rent Free Period – New Leases	Months	4
Estimated Leasing Period	# of quarters	4

### **Construction Related Assumptions**

Construction Related Assumptions	Unit	Future Development
Start Date of Construction	Month/Year	Jul – 25
End Date of Construction	Month/Year	Dec – 26
Total Construction Cost <sup>3</sup>	INR Million	327
Construction Cost Incurred till Date	INR Million	-
Construction Cost to be Incurred	INR Million	327

*\*As per details shared, part area of tower-10 (MLCP) ground floor has been converted from parking area to leasable office area. The corresponding leasable area is 22,071 sq. ft. It is to be noted that the approval has been received for the conversion and the OC is still awaited. As per the management representation provided by the Client the same is future development and not expected to be leased in the foreseeable future, therefore the same not to be valued.*

#### **Notes:**

1. We have relied upon Client inputs for the assumptions relating to construction.
2. The assumptions on cost to be incurred for future developments as well as for under construction projects are based on inputs provided from the client while applying independent professional judgement by the valuer.
3. Total Construction Cost includes cost of development of the common areas in the Subject Property.

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base) (SEZ Rent)	Per sq. ft. per month	INR 84.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 114.00
Achievable Market Rent – Office (including Parking) (SEZ Rent)	Per sq. ft. per month	INR 90.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 120.00
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – FY26 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.5

*Note: \*CIOP (Candor India Office Park) provides project management services to the Subject Property of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

### Capitalization Rate and Discount Rate

With reference to the explanation in completed property section, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year. Owing to the various risks pertaining to the under-construction / future development properties, we have considered a risk premium of 125bps, to derive the WACC of 13.00% for under-construction / future development properties. This is in line with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that the subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 44,330 Million	Indian Rupees Forty-Four Billion Three Hundred and Thirty Million Only
Future Development	30 <sup>th</sup> September 2024	INR 563 Million	Indian Rupees Five Hundred and Sixty-Three Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 7,300 per sq. ft.
Land area	INR 1,68,500 per sq. yd.

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979

## **D ANNEXURES**





## Annexure 1: Cash Flows

Completed Buildings: Tower 1, 2, 3, 4 (Amenity Block – 1), 4A (Amenity Block – 2), 5, 6, 7, 8A, 8B, 9, 10 (MLCP), 11

Year		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	3,115.2	3,795.4	4,298.6	4,825.2	5,130.0	5,253.7	5,558.7	5,832.2	6,068.6	6,456.6	6,816.7
O&M Markup	INR Million	329.5	400.4	467.1	501.7	521.2	541.8	565.7	588.8	613.4	640.9	666.5
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	12.9	13.5	14.2	14.9	15.7	16.4	17.3	18.1	19.0	20.0	21.0
<b>Total Income</b>	INR Million	3,457.6	4,209.4	4,780.0	5,341.8	5,666.9	5,811.9	6,141.6	6,439.1	6,701.0	7,117.5	7,504.2
<b>Total Income from occupancy</b>	INR Million	3,457.6	4,209.4	4,780.0	5,341.8	5,666.9	5,811.9	6,141.6	6,439.1	6,701.0	7,117.5	7,504.2
Land Owner Share	INR Million	(875.9)	(1,066.5)	(1,207.6)	(1,355.2)	(1,440.8)	(1,475.6)	(1,561.3)	(1,638.1)	(1,704.5)	(1,813.4)	(1,914.6)
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(63.6)	(34.2)	(5.0)	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(8.3)	(8.7)	(9.2)	(9.6)	(10.1)	(10.6)	(11.1)	(11.7)	(12.3)	(12.9)	(13.5)
<b>Total Operating Costs</b>	INR Million	(71.9)	(42.9)	(14.2)	(9.6)	(10.1)	(10.6)	(11.1)	(11.7)	(12.3)	(12.9)	(13.5)
<b>Net operating Income</b>	INR Million	2,509.8	3,099.9	3,558.1	3,976.9	4,216.0	4,325.7	4,569.2	4,789.4	4,984.2	5,291.2	5,576.1
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	69,700.7	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(697.0)	
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	INR Million	2,509.8	3,099.9	3,558.1	3,976.9	4,216.0	4,325.7	4,569.2	4,789.4	4,984.2	74,294.9	
<b>Maintenance Capex</b>	INR Million	(44.9)	(54.7)	(61.9)	(69.5)	(73.9)	(75.7)	(80.0)	(84.0)	(87.4)	(93.0)	
<b>Brokerage Expenses</b>	INR Million	(67.4)	(84.8)	(46.0)	(0.3)	(0.3)	(26.7)	(45.7)	(26.1)	(155.4)	(99.2)	
<b>Total Construction Costs</b>	INR Million	(644.0)	(93.8)	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	1,753.6	2,866.7	3,450.3	3,907.1	4,141.8	4,223.3	4,443.5	4,679.2	4,741.4	74,102.7	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



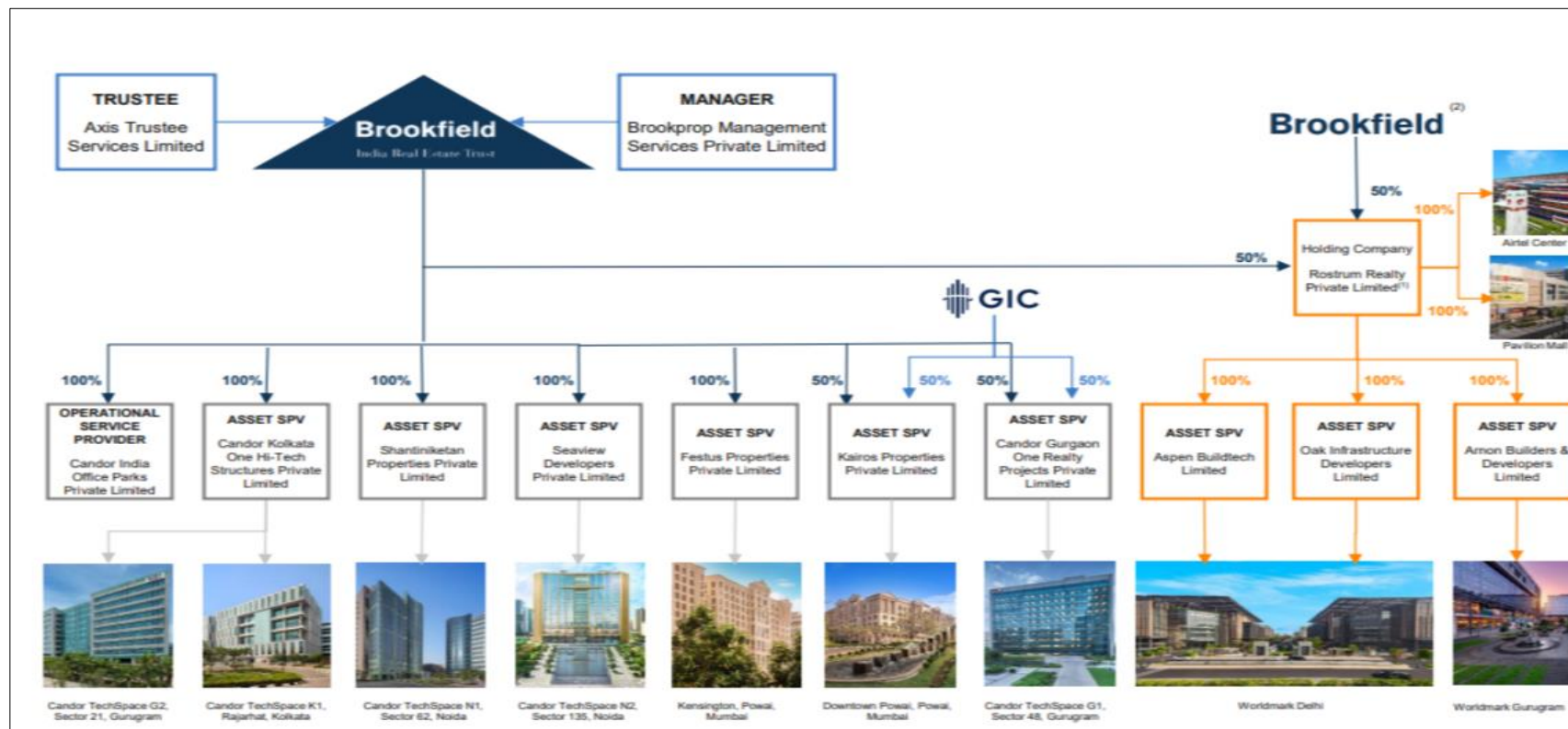
**Future Development: Tower 12**

Year	Unit	1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	5.1	91.2	121.8	125.2	138.9	140.1	144.0	159.8	161.1
O&M Markup	INR Million	-	-	3.0	15.3	17.0	17.8	18.5	19.4	20.2	21.2	22.1
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	INR Million	-	-	8.1	106.5	138.8	143.0	157.5	159.5	164.3	180.9	183.2
<b>Total Income from occupancy</b>	INR Million	-	-	8.1	106.5	138.8	143.0	157.5	159.5	164.3	180.9	183.2
Land Owner Share	INR Million	-	-	(1.4)	(25.5)	(34.1)	(35.1)	(38.9)	(39.2)	(40.3)	(44.7)	(45.1)
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	(5.4)	(0.6)	-	-	-	-	-	-	-
Property Taxes	INR Million	-	-	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
<b>Total Operating Costs</b>	INR Million	-	-	(5.6)	(0.9)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
<b>Net operating Income</b>	INR Million	-	-	1.0	80.1	104.4	107.7	118.3	119.9	123.6	135.9	137.8
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	1,721.9	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(17.2)	
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	INR Million	-	-	1.0	80.1	104.4	107.7	118.3	119.9	123.6	1,840.5	
Property Management Fees	INR Million	-	-	-	-	-	-	-	-	-	-	
Maintenance Capex	INR Million	-	-	-	-	-	-	-	-	-	-	
Brokerage Expenses	INR Million	-	-	(0.1)	(1.3)	(1.8)	(1.8)	(2.0)	(2.0)	(2.1)	(2.3)	
<b>Total Construction Costs</b>	INR Million	-	-	(10.2)	(10.2)	-	-	-	-	-	-	
<b>Total Construction Costs</b>	INR Million	(54.5)	(217.9)	(54.5)	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	(54.5)	(217.9)	(63.7)	68.6	102.7	105.9	116.3	117.9	121.6	1,838.2	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



## Annexure 2: Ownership Structure



### Notes:

- By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from May 4 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020.





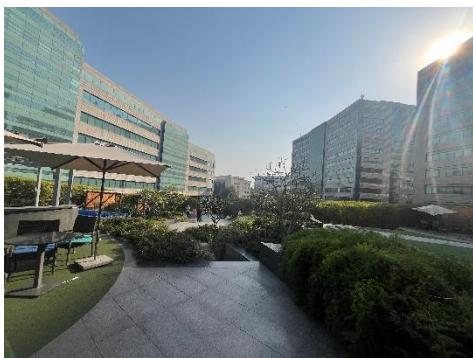
**Annexure 4: Subject Property Photographs**



External View of Subject Property



External View of Subject Property



External View of Subject Property



External View of Subject Property



External View of Subject Property



External View of Subject Property



External View of Subject Property



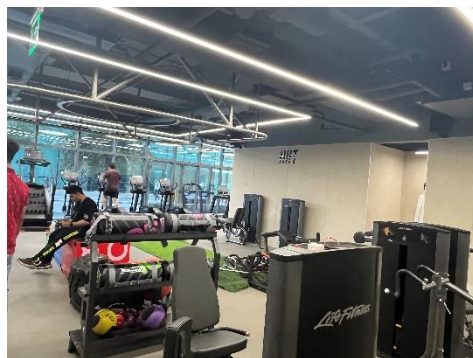
External View of Subject Property



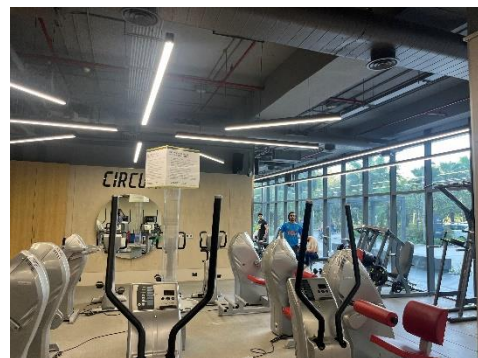
External View of Subject Property



Internal View of Subject Property



Internal View of Subject Property



Internal View of Subject Property

**Annexure 5: Statement of Key assets**

Building	No/Name	B1	B5	B2	B3	B4 & 4A	B6	B7	B11	B8	B9	MLCP
No of DG Capacity	KVA	(3X1250KVA+ 3x1010KVA)		(3x1250KVA+3x1010KVA)	(3x1250KVA + 2x1010KVA)		(4x 1500KVA)	(4x 1500KVA)	DG(2x 1010KVA+3x1500KVA)		(4x 1250KVA)	
No of Transformer/Capacity	KVA	(2X1250KVA+ 2x1500KVA)		(1X1250KVA+ 3x1500KVA)	(2X1250KVA+ 2x1500KVA)		(3X2000KVA)	(3X1250KVA)	T/F (4x 1600KVA)		(3X1250KVA)	
Chiller Rating	TR	4 X 800TR + 1 X 850TR			2 X 600TR + 1 X 195TR		3 X 500TR	3 X 500TR	3 X 439TR +1x340TR		2 X 546TR	
Cooling Tower		HVAC for block 1&2 (4x1000TR + 1x1200TR) DG( 3x150TR +3x120TR),		DG(3x120TR+3x150TR )	HVAC ( 3x750TR) DG (3x150+3x2x120TR),		HVAC (4x600TR) DG 5x190TR each	HVAC (3x600TR) DG 4x190TR each,	HVAC (4x550TR + 1x450TR) DG(3x190TR+2x120TR),		HVAC (2x600TR) DG(4x150TR)	
FF System (Pumps & Engine)	KW/HP				Jockey 2x20HP, Sprinkler 1x100, Hydrant 1x100hp, Diesel engine 1x133 HP			Jockey 2x10HP, sprinkler 1x120, Hydrant 1x120 & Diesel engine 1x123 HP, diesel engine for water curtain 1x60HP & electric pump 1x60HP				
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic: 4 x 11 KW Flushing: 4 x 15 KW STP Flushing Pumps: 2 x 11 KW			Domestic: 2 x 15 KW Flushing: 2 x 15 KW		Domestic: 3 x 11 KW	Domestic: 2 x 11 KW	Domestic: 2 x 3 KW	Domestic: 3 x 7.5 KW	Flushing pumps are common for phase 2 towers (2x11KW)	
STP Rating	KLD	850 KLD X 1 + 200 KLD X 1										
Warm Shell/ Bare Shell		Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell

Source: As provided by client

**Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

**Approvals Received**

- a) Building Plan Approvals for all existing/ under construction buildings and amendments thereof
- b) Full Occupancy Certificates received for all the operational buildings
- c) Sewerage Approvals for all buildings and the common campus area
- d) Consent to Establish (CTE)
- e) Environment Clearance Certificate
- f) One-time Fire NOC
- g) Height clearance NOC from AAI
- h) SEZ Notification by The Gazette of India and by Haryana Government
- i) BOCW Registration
- j) Forest Clarification
- k) Approval of Service Plan Estimates
- l) Consent to Operate (CTO)
- m) EC (revalidation)


**Approvals Pending**


Approvals for Future Development Area





**Annexure 7: Ready Reckoner Rate for Built Up area and Land area**


Rate list of Tehsil Gurugram Proposed Rates for the year 2023 w.e.f.....)													
Sr. No.	Huda Sectors	Rates for the Year of 2021-2022				Proposed Rates for the Year of 2022				Proposed Rates for the Year of 2023			
		Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial/ Sco/Scf (Rs. Per Sq. Yards)	Commercial/ Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial/ Sco/Scf (Rs. Per Sq. Yards)	Commercial/ Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)
1	Sec- 42, 43	50000	165000	10000	7000	55000	165000	10000	7000	66000	198000	12000	8400
2	Sec-14, 15, 16, 17, 40	45000	150000	9000	6600	50000	150000	9000	6600	65000	181500	11000	8000
3	Sec- 38,	40000	140000	8900	6300	45000	140000	8900	6300	54000	168000	11000	7500
4	Sec-21,22, 22A, 23, 23A,	35000	140300	8600	6100	40000	140300	8600	6100	48000	168500	10500	7300
5	Sector 1, 2, 3, 3A, 4, 5, 6, 7, 12, 12A, 13	35000	135000	9000	6600	40000	135000	9000	6600	48000	162500	11000	7900
6	Sec-18, 19, 20,	NA	110000	9000	6600	NA	110000	9000	6600	NA	132000	11000	7900
7	Sec-25	NA	88000	9000	6600	NA	88000	9000	6600	NA	106000	11000	7900
8	Sector 104, 105, 106, 109, 110, 110A, 111, 112, 113, 114, 115	30000	100000	4500	3000	36000	100000	4500	3000	44000	120000	5400	3600

  
 Joint Sub-Registrar  
Gurugram

  
 Sub Registrar  
Gurugram

  
 SDO (C)  
Gurugram

  
 BDO  
Gurugram

  
 Deputy Commissioner-cum-  
Registrar, Gurugram

### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by client, following major repairs/ upgrades have been taken up in the past:

- Installation of a 66 KV sub-station in the office park, which we believe has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for client's tenants;
- Undertaken renovations at the office park such as refurbishing the food court, landscaping and lobby improvements to enhance the overall experience;
- Resolved traffic congestion issues by streamlining the entry and exit from the campus and using RFID parking system; The Brookfield Group also worked with government agencies to manage the traffic outside the campus and maintain the road outside the campus; and
- Installed rooftop solar panels and additional rainwater harvesting pits to reduce its carbon footprint

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India REIT** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited

information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.

# **VALUATION REPORT**

**Candor Techspace G1, Sector 48, Gurugram, NCR**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**





## Disclaimer





*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> August 2024 to Letter of Engagement ("LOE") dated 23rd December 2022 and amended through addendum letter dated 22<sup>nd</sup> September 2023 without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the as agreed upon in the Letter of Engagement ("LOE") dated 23rd December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

Candor Techspace IT/ITeS SEZ (G1), Sector - 48, Gurugram, NCR		
Valuation Date:	30 <sup>th</sup> September 2024	 View 1 of Subject Property
Site Visit Date:	20 <sup>th</sup> March 2024 (Subsequently no site visits have been conducted)	
Valuation Methodology:	Discounted Cash Flow using Rental Reversion	
Valuation Purpose:	Disclosure of valuation of asset forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014	
Location / Situation:	Candor TechSpace G1 (herein after referred to as G1 and/ or Subject Property) is located on Village Tikri, Sector – 48, Sohna Road, Gurugram, Haryana – 122018, one of the prime office destinations of Gurugram.	
	The Subject Property is accessible via Netaji Subash Marg (60-meter-wide road), which connects it to HUDA City Centre Metro Station on West and to National Highway 8 on East.	
	The Subject Property lies in close proximity to various office assets such as Spaze Group, Bestech Group, Vatika Group etc.	
	The profile of surrounding development for the Subject Property constitutes developed residential and commercial developments. It is well connected with other parts of the city through road network.	
Description:	G1 constitutes 12 completed buildings (with OC received) and 1 future development building. The details of the same are:	
	<ul style="list-style-type: none"><li>Completed/Operational : Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Buildings (12) Amenity Blocks – 1 &amp; 2.</li><li>Future development (1) : Tower 11</li></ul>	
	The Completed buildings collectively admeasure 3,727,239 sq. ft.# of leasable area. Currently the committed occupancy in the Completed buildings is 73.8% *.	
	As per the information provided by the Client 5,17,510 sq. ft. of leasable area is under process of getting converted into Non SEZ area.	
	The Future Development has a leasable area of 103,884 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. The same is expected to be ready by Q2 FY 2030-31	
MIOP Description:	Note- As per the information provided to us by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management, operations of Candor Techspace G1 and administration of the Company’s functions for a period of 30 years. As per the understanding between MIOP and Candor Techspace G1, the cashflows of the real estate operating services will be part of MIOP till 30 years, post which, the cashflows of the services will accrue to Candor	
		 View 2 of Subject Property
		 View 3 of Subject Property
		 View 4 of Subject Property



	Techspace G1 the same would be included while calculating the market value of G1.	
<b>Total Area:</b>	Total Land Area: 25.187 Acres Completed Leasable Area: 3,727,239 sq. ft. Future Development Leasable Area: 103,884 sq. ft. Total Leasable Area: 3,831,123 sq. ft.	

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.

# The increase in leasable area is due to change in efficiency.

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Buildings	30 <sup>th</sup> September 2024	INR 51,582 Million	Indian Rupees Fifty-One Billion Five Hundred and Eighty-Two Million Only
Future Development	30 <sup>th</sup> September 2024	INR 547 Million	Indian Rupees Five Hundred and Forty - Seven Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Property:** Candor Techspace G1, Sector - 48, Gurugram, NCR

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Gurugram (hereinafter referred to as “Subject Property” and/or “Candor TechSpace G1”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The Subject Property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

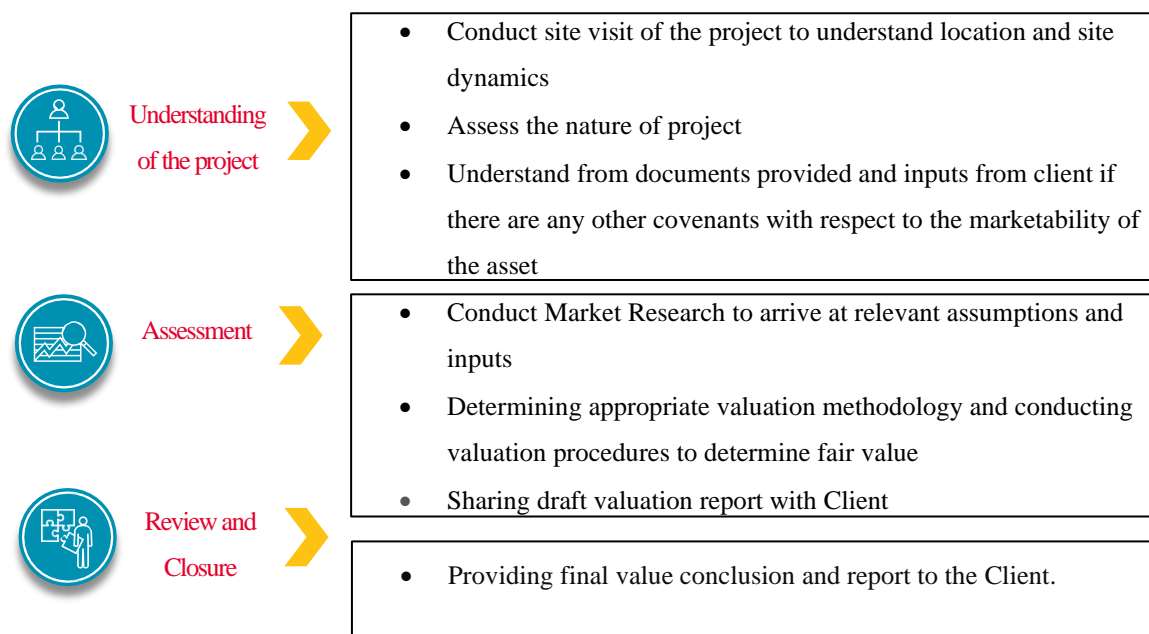
The purpose of this valuation is for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

## 5 Basis of Valuation

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as ‘*The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*’

## 6 Valuation Approach & Methodology



The basis of valuation for the subject Property being Market Value, the same may be derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the Subject Property.

***For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.***



## **7 Assumptions, Departures and Reservations**

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock - in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## **8 Inspection**

The Property was inspected on 20<sup>th</sup> March 2024 (Subsequently no site visits have been conducted) by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the applicable law.



## 11 Authority

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by her due to such usage other than for the Acquisition as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in his favor, reasonably satisfactory to her for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the Acquisition including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement to **Brookprop Management Services Private Limited ("Manager")**, the **Brookfield India REIT ("Brookfield REIT")** and auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), credit rating agencies and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers. The Valuer, however, would extend no liability to such reliant parties.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation ("Reliant Party") and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in this Agreement, the Valuer's total aggregate liability to the Manager arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the total fees paid to Valuer by Client hereunder.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT, the intermediaries appointed in



connection with the Acquisition be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by him while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against him in this regard.

#### **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

#### **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under this Agreement including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case she is insisted upon or asserted by the Client to violate any of the above said undertakings in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate this Agreement without any liability or obligation on his part.

Such termination of this Agreement shall not in any way prejudice the rights and obligations (including payment for the services delivered under this Agreement) already accrued to the Valuer, prior to such termination.



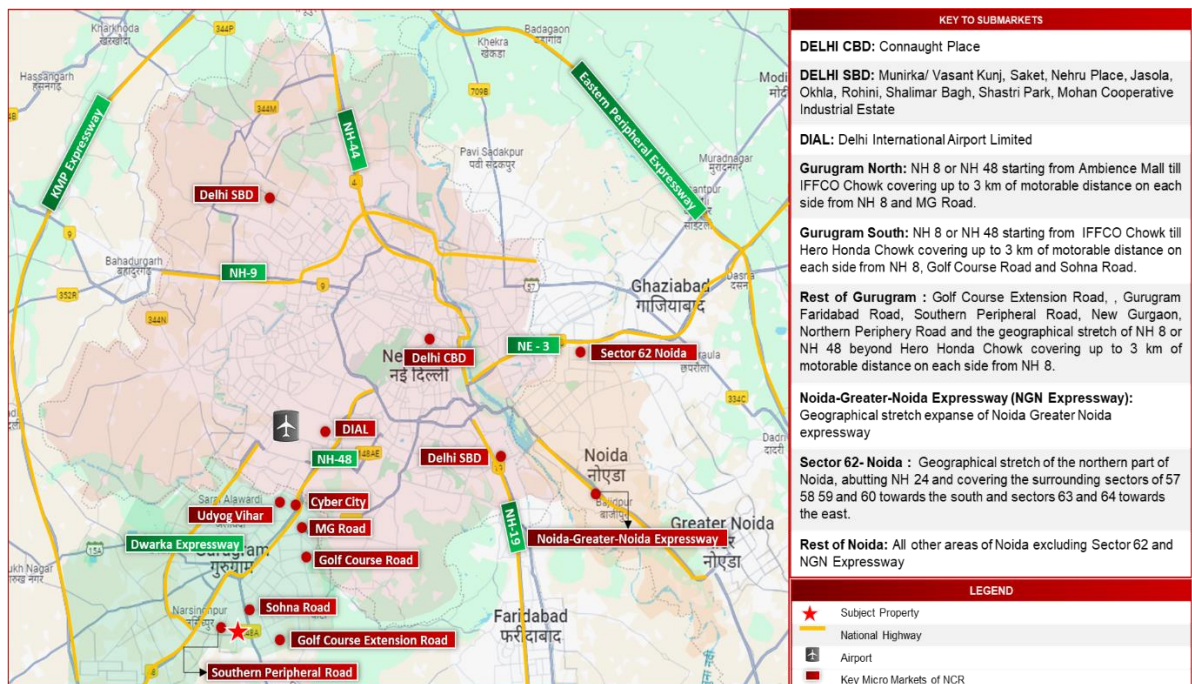
## **B National Capital Region Overview**

For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out Industry and market report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (Source: www.un.org). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan. In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



Source: Cushman and Wakefield Research

(Map not to scale)

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Gurugram Others)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida–Greater Noida (NGN) Expressway & Rest of Noida)
4. DIAL

The table below highlight the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL	Gurugram*	Noida	Gurugram South^
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33	16.58
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62	13.03
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%	21.4%
<b>Avg. Annual Absorption – CY 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16	0.17
<b>Future Supply – Q4 CY 2024 E – CY 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09	1.60
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55	92

Source: Cushman and Wakefield Research

**Notes:**

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT's city market for the Subject Property.
4. ^Competitive REIT's micro market within Brookfield India REIT's city market for Subject Property.
5. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
9. Rentals presented above are weighted average values on completed stock.

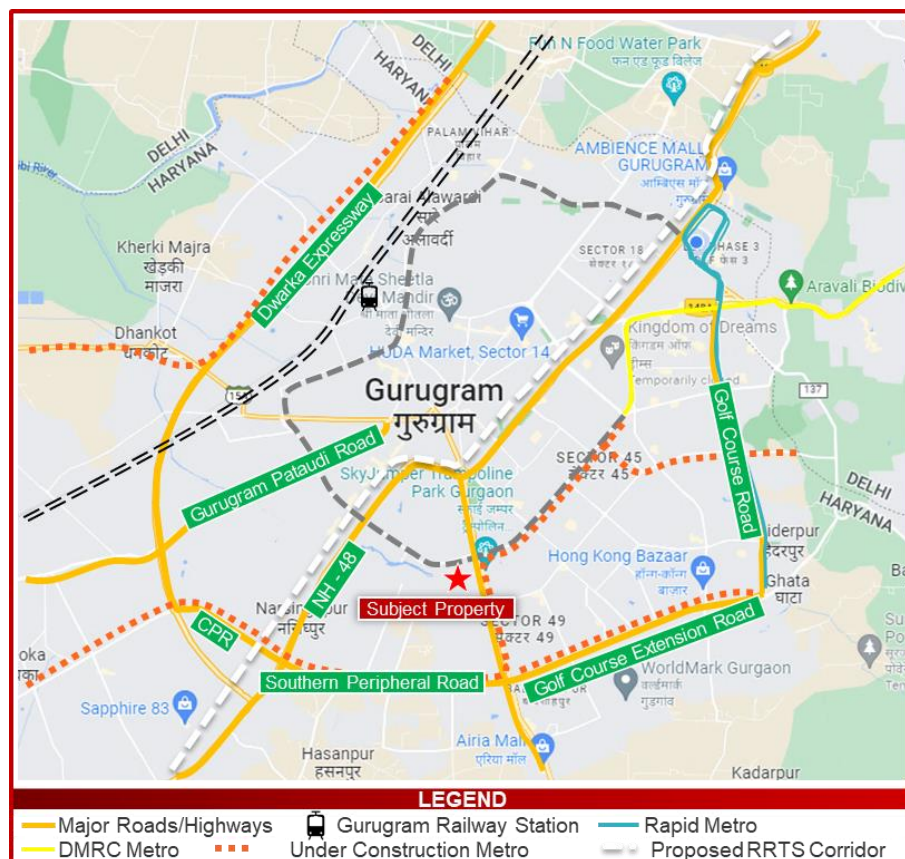


## 2 Brookfield India REIT's City Market - Gurugram

Candor Techspace G1 is a freehold, Grade-A asset located in Gurugram city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

Gurugram (often called the millennium city) is located towards the South-West of Delhi. Gurugram falls under the Indian state of Haryana. Gurugram district is the second largest city of Haryana and serves as its industrial and financial center. As per the Census 2011, Gurugram has the 3rd highest per capita income in India after Chandigarh and Mumbai. The area of the Gurugram District is 1,258 sq. km. Connaught Place, the CBD of Delhi is at approximately 22 km from Cyber City, the CBD of Gurugram. Further, the Indira Gandhi International Airport which is currently the only International Airport servicing the civil aviation demands of NCR is located at approximately 12 km from Cyber City. Compared to other suburban locations in Delhi, Gurugram enjoys several competitive advantages like presence of large multi-national corporations (MNCs) and their corporate office hubs, presence of multiple nationalized developers, connectivity, support infrastructure etc. Locational advantages along with presence of physical and social infrastructure has helped Gurugram to emerge as one of the prime office markets of NCR.



Source: Cushman and Wakefield Research  
(Map not to scale)

Note: CPR stands for Central Peripheral Road

Note: The DMRC Yellow Line metro is under construction and will be extended from Millennium City Centre Gurugram to Udyog Vihar, via Old Gurugram and finally terminating at Cyber City rapid metro station. Also, a station for Delhi – Alwar RRTS is proposed to enter Gurugram from Aerocity with a station at Cyber City and Rajiv Chowk on NH – 48. The source for the said metro routes is the information available in the public domain and may differ subject to final approvals.



## **Real Estate Overview**

**Office:** The established office clusters of Gurugram are concentrated towards Cyber City, Udyog Vihar, MG Road, Golf Course Road and Sohna Road. Golf Course Extension Road is the next emerging office location after the clusters stated above. Gurugram is primarily characterized by investment grade developments offering modern amenities. To name a few, established players like DLF, Brookfield, Hines, Vatika, Tata Realty, Ascendas, Bharti etc. have their footprint in Gurugram.

**Retail:** The retail landscaping of Gurugram is skewed towards retail mall format. MG Road, Golf Course Road, Sohna Road and NH 48 are the established retail mall locations of Gurugram. Galleria Market in DLF Phase – IV is one of the prominent high streets in Gurugram. Presence of a significant young working population in Gurugram led to the emergence of new formats viz. F&B hubs like DLF Cyber Hub, Sector 29 and 32nd Milestone, and are well accepted now. Golf Course Extension Road, Southern Periphery Road and Northern Periphery Road are the emerging locations for retail development. Golf Course Extension Road will have a healthy mix of high street and retail mall development formats.

**Residential:** The established residential clusters of Gurugram are concentrated towards Golf Course Road, Sohna Road, Sector 51 – 56 and Udyog Vihar. Golf Course Extension Road is the next emerging residential location after the clusters stated above. Southern Periphery Road and Northern Periphery Road are the upcoming residential locations.

**Other lifestyle:** The hospitality segment in the Gurugram comprises of international and national renowned hotel groups such as Taj, Oberoi, Trident, Hyatt and many more located centrally in the city and servicing to foreign and domestic travellers. The hospitality segment in the city has grown tremendously to accommodate the growing demand from office occupants and residential population of the city. Currently, Gurugram houses over 2,500 keys in 4 & 5-star category of hospitality segment.

With more than 16,000 students graduating every year, Gurugram has ample talent pool to cater the office occupants present in the city. MDI, Amity University, ICFAI Business School etc. are few of the renowned educational campuses present in Gurugram.

Gurugram is divided into three office micro markets:

- a. Gurugram North – NH 48 starting from Ambience Mall till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road. The Subject Property is located in Gurugram North micro market.
- b. Gurugram South – NH 48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48, Golf Course Road and Sohna Road.
- c. Rest of Gurugram – Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurugram, Northern Periphery Road and the geographical stretch of NH 48 beyond Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48.

The key drivers of demand for office space in Gurugram are as follows:



- **Connectivity and linkages:** Gurugram is well connected to other nodes of NCR via robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International airport:** Gurugram is in close proximity to airport and hence attracted large occupier base to the city. Its closeness to airport helped the city to grow at a very fast pace.
- **Presence of social and lifestyle infrastructure:** Along with good physical infrastructure the city offers a healthy mix of social and lifestyle infrastructure. Presence of good schools like Shri Ram, Shiv Nadar, Lotus valley, Suncity etc.; good hospitals like Artemis, Medanta, Fortis etc.; retail malls like Ambience mall, MGF Metropolis etc.; F&B formats like Cyber Hub, 32nd Milestone, Sector 29 etc.; crèche like Klay, IPSAA, Footprint etc.; has made Gurugram as one of the most preferred micro markets for the working population. The city offers easy accessibility to the amenities required by the working population to lead life independently.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** As the city is accessible through multiple modes of transportation and it offers residential spaces across various price categories, it attracts talent pool from all adjoining locations.
- **Healthy mix of commercial, IT/ITeS and SEZ developments:** Gurugram offers a healthy mix of commercial, IT/ ITeS and SEZ office space and hence attracts the occupier base across categories.

## 2.2 Key Statistics - Gurugram

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 64.49 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 52.05 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 19.3%
<b>Annual Net Absorption (CY 2022 – 9M CY 2024)</b>	Approximately 2.84 msf
<b>Future Supply (Q4 CY 2024E – 2026 E)</b>	Q4 CY 2024E: Approximately 1.05 msf CY 2025E: Approximately 4.27 msf CY 2026E: Approximately 2.74 msf

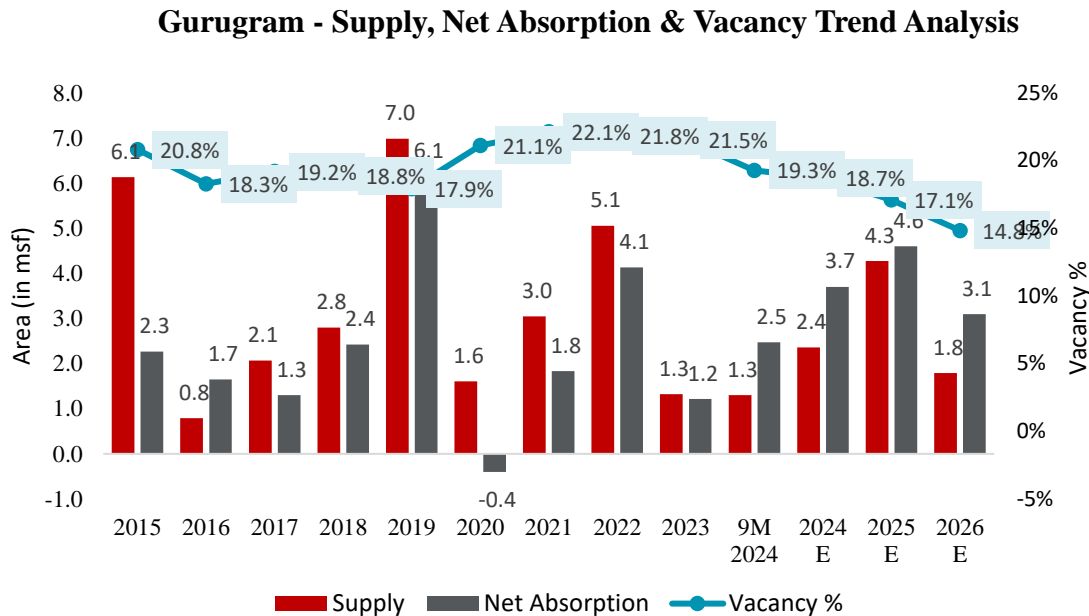
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet and applying certain other criteria
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

## 2.3 Supply, Absorption & Vacancy

The supply, absorption & vacancy trend for Gurugram is as follows:



Source: Cushman and Wakefield Research

### Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The micro markets in Gurugram developed their individual flavours in terms of nature of developments (campus and integrated, strata and non-strata buildings) and larger developers created an ecosystem favouring their developments. Occupiers prefer office spaces offering better amenities and the health & safety standards. With infrastructure getting a boost from the government and city limits expanding, new micro markets are gaining prominence as office destination.

Gurugram has shown positive trend in supply and net absorption. The net absorption as of 9M CY 2024 is 2.5 msf with vacancy of 19.3%. With increased hiring across the sectors specially Technology and BFSI (which are large contributors to office market of India) the new demand is likely to keep growing for the office market. Gurugram's nature of hosting diverse demand from sectors like Technology, BFSI, professional services, media and telecom would help keeping the net absorption figures growing. In our view, the future supply would follow net absorption trends, maintaining the real estate growth momentum in the city. Hence, the vacancy levels are expected to move southward in the coming future.

The analysis of current overall vacancy level of Gurugram suggest that the vacancy levels for non-strata development is 12.3% as compared to the strata developments as 31.6%. This clearly demonstrates the preference of occupiers in the market.

It is further evident from the fact that the vacancy of the prominent non-strata developments of Gurugram has consistently remained sub 5%. As on 9M CY 2024, office buildings like One Horizon Center, DLF Cyber Park



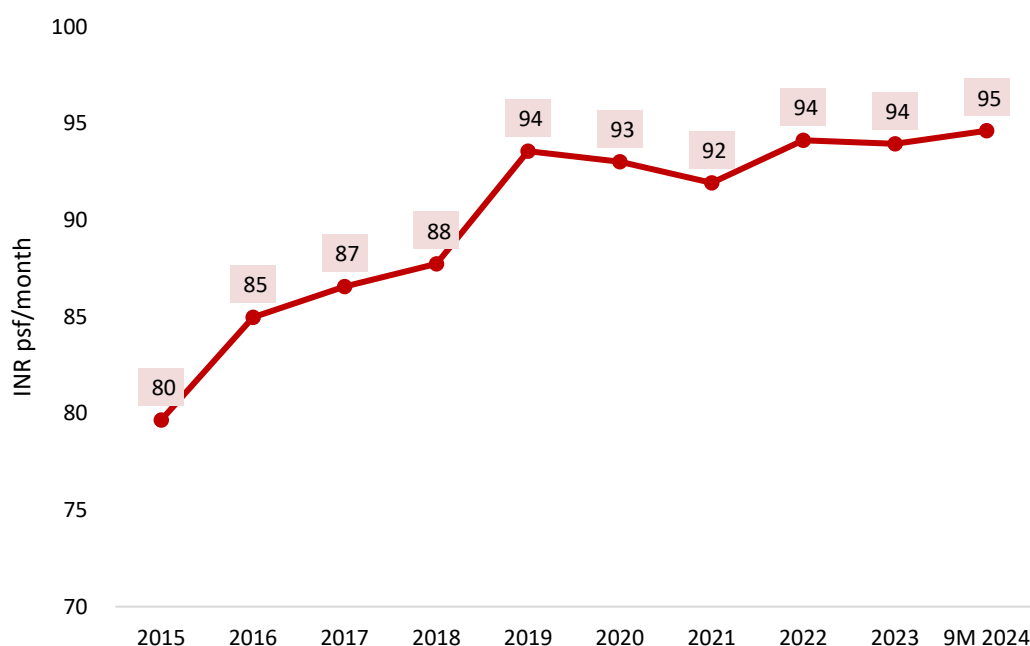
are fully occupied. TRIL Commercial and multiple buildings in DLF Cyber City have vacancy below 5%. Further, DLF Downtown which was completed in CY 2022 was more than 90% pre-committed prior to its completion and is currently fully occupied.

Looking ahead, Gurugram's office landscape is set to be primarily shaped by non-strata owned developments. This is evident in the anticipated future supply of approximately 7.12 msf scheduled for completion between Q4 CY 2024E – CY 2026E.

## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:

### Gurugram – Quoted Rental Trend



Source: Cushman and Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across Gurugram.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for competitive REIT Gurugram properties have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.

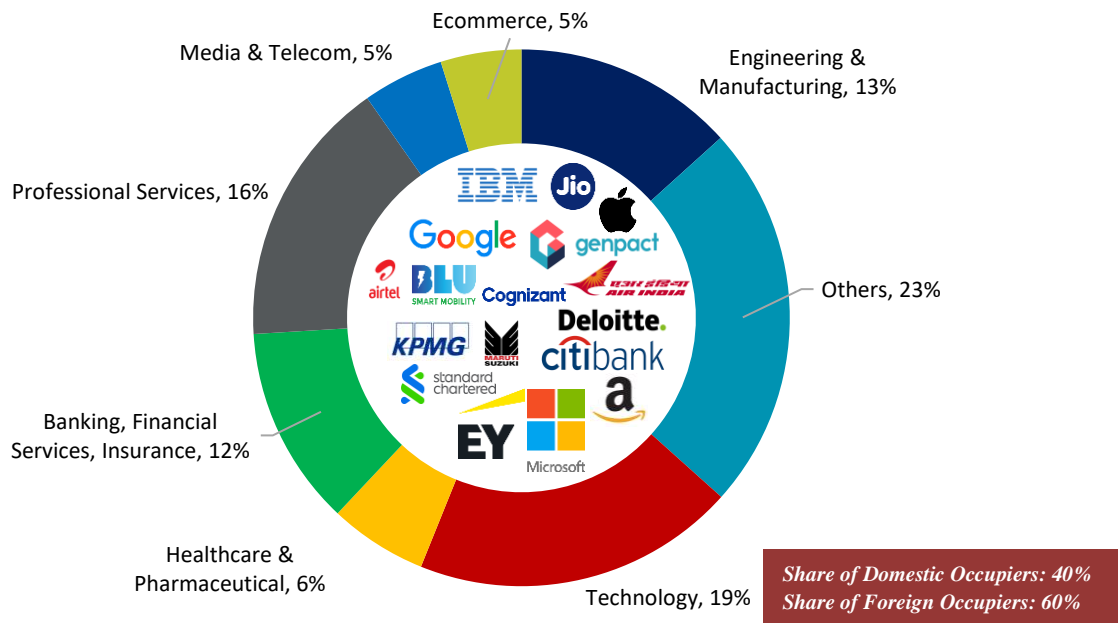
Gurugram witnessed a stabilised rental growth of approximately 3.3% between CY 2015 to CY 2018 and witnessed sharp spike in CY 2018 – CY 2019, resulting in a rental growth of ~6.6%. Approximately 75% of the supply addition in the city between CY 2020 and CY 2022 are either in the developing office micro market or strata sold because of this the rentals in the city have remained stable post CY 2019.

New supply addition in last 1-2 years in the established micro markets like NH 48 Prime, DLF Cyber City have given an upward push to the rentals. The developments like HQ 27, DLF Downtown added in established clusters are quoted at higher rentals prevailing in their respective cluster.

Among Gurugram's micro markets, DLF Cyber City commands the highest rentals followed by Golf Course Road. NH 48 Prime micro market witnessed a drastic increase in rentals in 2019 due to the addition of DLF Cyber Park. With denotification allowed in SEZ developments; the rentals for said developments are expected to increase from current levels (as it broadens the potential occupier base for the property). Thus, creating an overall positive impact for the city.

## 2.5 Sectoral Demand Analysis - Gurugram (2015 – 9M CY 2024)

### Key Industries present in Gurugram (CY 2015 – 9M CY 2024 ~54.49 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. Others includes Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
2. The sectoral absorption analysis is based on gross absorption activity of Gurugram's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.
3. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.

Gurugram's office supply constitutes an equal mix of commercial and IT/ITeS developments and reflects similar positioning in demand. Technology is the prominent sector contributing 19% to the overall demand. The other prominent industries contributing 41% to the demand are professional services (16%), BFSI (12%) and Engineering & Manufacturing (13%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Gurugram is 60:40.





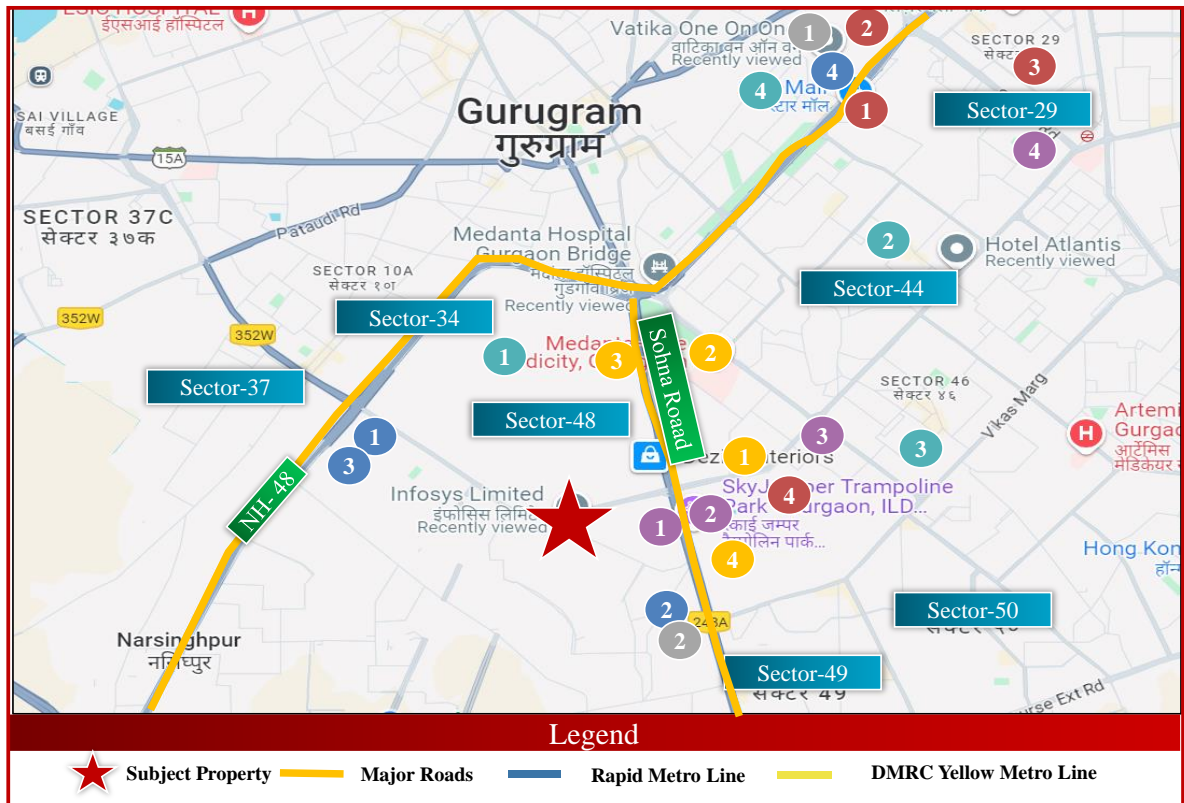
### **3 Gurugram South - Competitive REIT Micro Market**

#### **3.1 Overview**

Gurugram South is one of the prime office micro markets of Gurugram. The office supply constitutes a healthy mix of IT and Non-IT developments. Gurugram South has also evolved as one of the established locations for residential and retail segments. Residential supply constitutes primarily of high-rise group housing developments catering to Upper Middle-Income Group and High-Income Group. The retail landscaping of the Brookfield REIT micro market primarily consists of mall formats.

Some of the prominent office developments in the Gurugram South are Vatika One on One, One Horizon Center, Two Horizon Center, Airtel Centre and the Subject Property. G1 is one of the largest integrated office developments in Gurugram in terms of leasable area. In addition, some of the renowned hotels in the micro market are Radisson, Hilton Garden Inn, Taj City Centre, Courtyard by Marriott, etc.

### 3.2 Social and Physical Infrastructure



Source: Cushman and Wakefield Research

(Map not to scale)

● Key Commercial Developments	● Social Infrastructure	● Lifestyle Infrastructure	● Proposed/Under Construction Office Developments	● Hospitality Developments	● Higher Education Institutions
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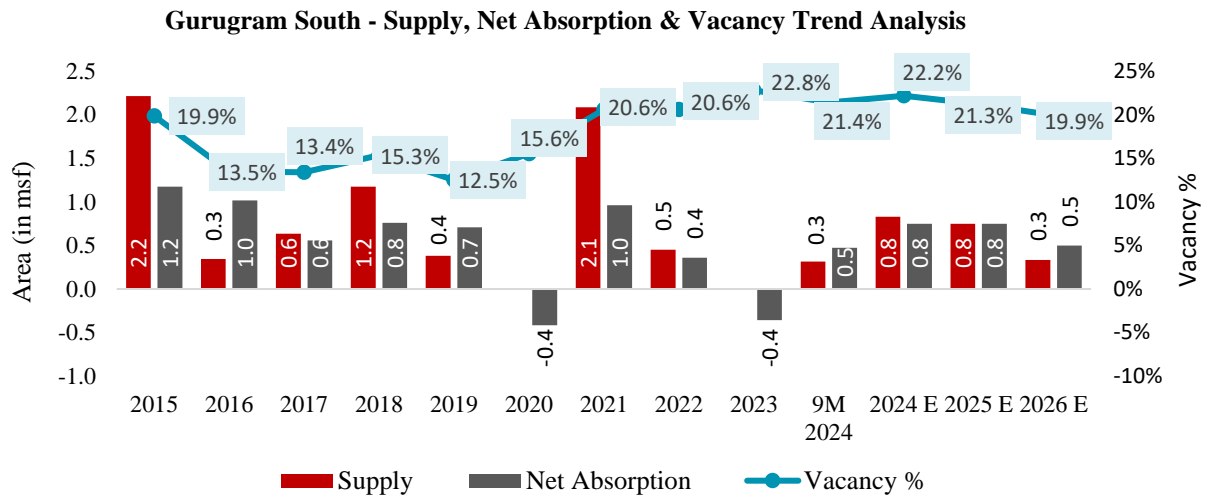
Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Bharti Sigma Centre (1.9km)	1. Park Hospital (3.4 km)	1. Star Mall (6.2 km)	1. Vatika One On One (5.6 km)	1. The Room (1 km)	1. DPG ITM (1.5 km)
2. Capital business Park (2 km)	2. Medanta Medicity (4.1 km)	2. Sector 29 (6.8 km)	2. Capital Business Park Technica – Tower 2 (3.1 km)	2. Radisson (2.2 km)	2. National Law College (4.2 km)
3. Express Trade Towers (2.5km)	3. Samvit Hospital (1.4 km)	3. Galleria Market (8 km)		3. Hilton Garden Inn (3.3 km)	3. Gurugram University (4.5 km)

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
4. Brahma Bestech Athena (7.3 km)	4. S D Adarsh Vidyalaya (2 km)	4. Good Earth City Centre (4 km)		4. Taj City Centre (5 km)	4. Management Development Institute (7.3 km)
5. DLF world Tech Park (7.9km)	5. G D Goenka Public School (1.2 km)	5. 32nd Avenue (5.4 km)		5. Sector 29 (7.5 km)	
6. BPTP Park Centra (8.8km)	6. Day Cares (0.5 km)	6. Ardee Mall (7 km)		6. Courtyard by Marriott (7.3 km)	

Subject Property is connected to NH-48 and Sohna Road via Netaji Subhash Marg, is the main connecting road; connecting Gurugram to other cities of NCR. Further, Sohna Road which is other major road providing connectivity to Brookfield REIT micro market is part of Delhi-Mumbai Expressway (under Bharat mala project) wherein multiple elevated corridors and underpasses have eased the traffic and enhanced the connectivity.

Subject Property is in proximity to existing metro viz. HUDA City Centre Metro Station, which further enhances its accessibility from different parts of NCR. Moreover, the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting HUDA City Centre Metro Station to Udyog Vihar via Subash Chowk (nearest landmark to Subject Property), Hero Honda Chowk, Old Gurugram and Palam Vihar Extension. Once operational, the said metro route will have 27 new stations is currently under construction.

### 3.3 Supply, Absorption & Vacancy Analysis



Source: Cushman and Wakefield Research

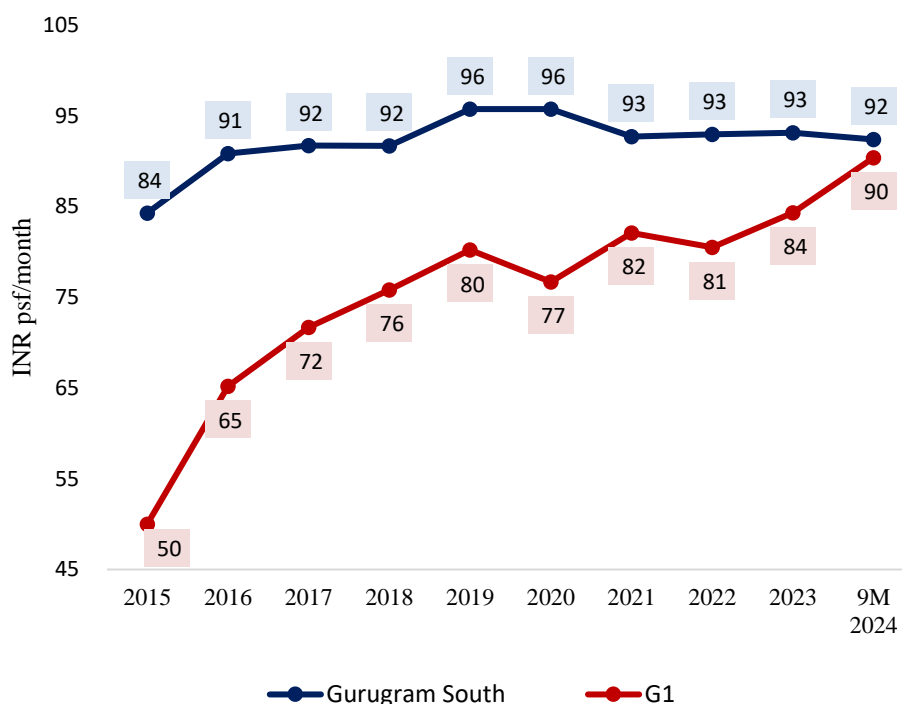
Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above chart..
2. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet across Gurugram South and applying certain other criteria.
3. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

This micro market refers to the geographical stretch of NH-48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH-48, Golf Course Road and Sohna Road. It contributes 26% of total stock of gurugram. Gurugram South has witnessed stability in vacancy in the past two years. The competitive REIT micro market benefits from its location and presence of established players like Brookfield and DLF. The competitive REIT micro market offers large integrated office developments addressing the office space requirements of large occupiers. The quality of developments coupled with locational advantages will continue to drive demand for the micro market. As on 9M CY 2024, the vacancy stands at 21.4%. With limited supply addition in the micro market the future absorption is expected to reach pre covid levels.

### 3.4 Rental Trend Analysis

#### Gurugram South & G1 – Quoted Rental Trend



Source: Cushman and Wakefield Research

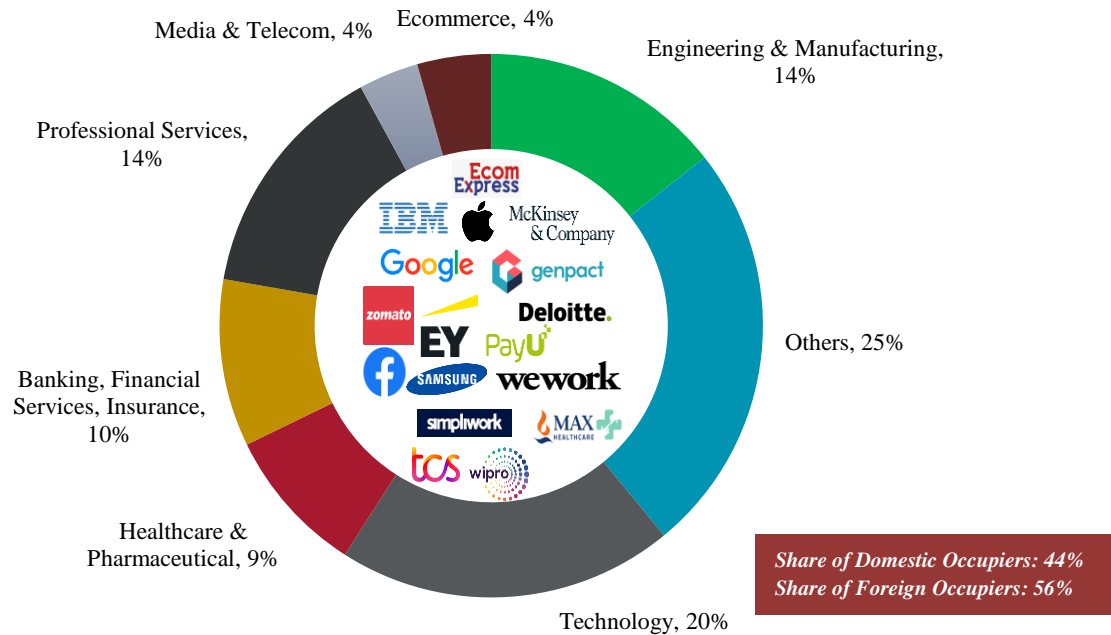
#### Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals for Candor TechSpace G1 have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Rentals presented above are weighted average values on completed stock.

Office micro markets across NCR have seen growth along selected clusters and in majority of the cases in specific office developments along a cluster. With occupiers preferring quality developments and spaces that allow them to implement their future expansion plans, such office developments are preferred over other developments available in same vicinity. These preferences are thus reflected on the achievable rental for an office development versus the cluster. The analysis suggests that G1 has witnessed a rental CAGR of 7.0% for the period 2015 – 9M 2024. The above normal growth in rental achieved by G1 substantiates the requirement and preference of occupiers for quality office space.

### 3.5 Sector Demand Analysis (CY2015 – 9M CY 2024)

#### Key Industries present in Gurugram South (CY 2015 – 9M CY 2024 ~15.04 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. Others includes Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
2. The sectoral absorption analysis is based on gross absorption activity of Gurugram South's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.
3. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.

Gurugram South is dominated by Technology sector which contributes 20% of the leasing activity from the years CY 2015 – 9M CY 2024. The tenants are attracted to Brookfield REIT micro market due to availability of good physical and social infrastructure. The technology occupiers in this micro market are involved in the activities of software development, process engineering, research, and development etc. The other prime contributors to the demand are Professional Services and Engineering and Manufacturing together contributing 29.8%. The engineering occupiers in this Brookfield REIT micro market are involved in the activities of telecom research and development, automobile sales etc. The mix of foreign vs. domestic occupants in Gurugram South is 56: 44.

#### **4 Market Outlook**

Gurugram South comprises some of the well-established office developments are Vatika One on One, One Horizon Center, Two Horizon Center, and the Subject Property.

The vacancy in the Competitive REIT Micro Market has shown a declining trend from 19.9% in 2015 to 12.5% in 2019. Since CY 2020 the vacancy level has increased owing to pandemic and continuous supply addition in the market. As on 9M CY 2024, the vacancy of the Competitive REIT Micro Market is 21.4%.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 92 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Considering the well-maintained infrastructure, key location, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network), the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.

Further we expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs will further drive significant demand in the commercial real estate sector.





## **C      SUBJECT PROPERTY REPORT**

## 1 Address, ownership and title details of Subject Property

Address:	Village Tikri, Sector - 48, Sohna Road, Gurugram, Haryana - 122018, India
Ownership & title details:	Land tenure: Freehold; the land and buildings thereupon are owned by Candor Gurgaon One Realty Projects Private Limited, which is 50% owned and controlled by the Brookfield India REIT

*Source: Client Information*

### 1.1 Encumbrances

Unless disclosed and recorded in the Property Report - Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Ind-Legal (Hereinafter referred to as 'Legal Counsels'). We have not checked and verified the title of the Subject Property.

### 1.2 Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### 1.3 Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation relating to the Subject Property or any compounding charges.

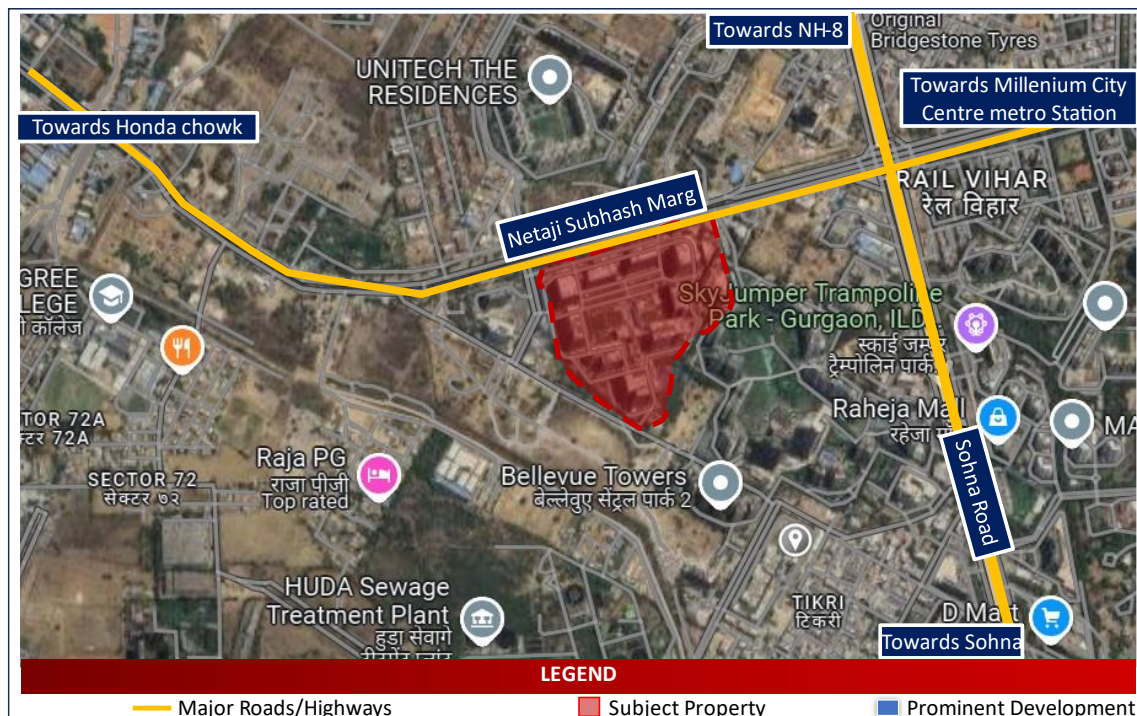
## 2 Location

### 2.1 General

The Subject Property is located in Village Tikri, Sector 48, Gurugram, which falls under the Gurugram South micro market. The micro market is one of the established office, residential and retail micro-markets of Gurugram. It is accessible via Netaji Subash Marg (60-meter-wide road) which connects it to HUDA City Centre Metro Station on west, to NH 48 on north and east and to Sohna Road on south. NH 48 is a major arterial road that connects Gurugram to other cities of NCR. Further, completion of Sohna Elevated Corridor or Sohna Gurgaon road which is six-lane wide elevated corridor, has enhanced the overall connectivity and ease of traffic congestions in the area. Being located in Gurugram South micro market, Subject Property has access to good physical and social infrastructure.

G1 lies in close proximity to HUDA City Centre Metro Station which further enhances its accessibility from different parts of NCR. Moreover, the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting HUDA City Centre Metro Station to Udyog Vihar via Subash Chowk (nearest landmark to Subject Property), Hero Honda Chowk, Old Gurugram and Palam Vihar Extension. Once operational, the said metro route will have 27 new stations is currently under construction.

The site layout map of the Subject Property is as follows:



(Map not to scale)

### **Site Boundaries**

The site boundaries the Subject Property are as follows:

North: Netaji Subhash Marg (Primary 60-meter-wide access road)

East & South: Residential Group Housing Projects

West: Commercial Development

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 0.1 km from Sohna Road
- Approximately 02 km from NH 48 (Delhi Jaipur highway)
- Approximately 07 km from HUDA City Centre Metro Station
- Approximately 10 km from Gurugram Railway Station
- Approximately 12 km from DLF Cyber City
- Approximately 21 km from IGI Airport
- Approximately 33 km from Connaught Place

## **2.3 Ground Conditions**

Based on visual inspection, there were no evidence of adverse ground conditions at the property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the property with respect to risks pertaining to earthquakes, high winds/cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### 3 Subject Property - Asset Description

G1 is an IT/ITeS SEZ business park with 12 completed and under construction buildings along with future development area. The listing of buildings under each component is as follows:

**Completed buildings with Occupancy Certificate (OC) received** - Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Amenity Block 1 & 2

**Future development** - The future development has leasable area of 103,884 sq. ft., which is indicative and is subject to change once the internal business plans are in place or the construction is completed.

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Status	Expected Completion Date
Tower 1	344,404	Completed	NA
Tower 2	381,349	Completed	NA
Tower 3	325,759	Completed	NA
Tower 4	352,986	Completed	NA
Tower 5	411,187	Completed	NA
Tower 6	310,797	Completed	NA
Tower 7	364,923	Completed	NA
Tower 8	773,218	Completed	NA
Tower 9	323,485	Completed	NA
Tower 10 (SEZ & Customs Office)	40,965	Completed	NA
Amenity Block 1	70,169	Completed	NA
Amenity Block 2	27,997	Completed	NA
Tower 11	103,884	Future Development	Q2 FY 2030-31
<b>Total/WA</b>	<b>3,831,123</b>		

Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received

Particulars	Details
<b>Entity:</b>	Candor Gurgaon One Realty Projects Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Gurgaon One Realty Projects Private Limited which is 50% owned and controlled by the Brookfield India REIT
<b>Asset Type:</b>	Approved IT/ITeS SEZ
<b>Sub-Market:</b>	Gurugram South
<b>Approved and Existing Usage:</b>	IT/ITeS SEZ
<b>Land Area (acres):</b>	~25.187
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	3,727,239 sq. ft.
<b>Occupied Area:</b>	27,50,115 sq. ft.
<b>Committed Occupancy (%) *</b>	73.8%
<b>Current Effective Rent (excluding parking)</b>	INR 78 per sq. ft. per month (for Office)
<b>Current Effective Rent (excluding parking)</b>	INR 77 per sq. ft. per month (including Office, Retail and telecom tenants only)
<b>Number of Tenants</b>	19 (office)**

Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

Refer company structure set out in Annexure 2

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area

\*\* Wipro's (Group Companies) Includes M/s Wipro HR Services India Private Limited and Wipro Limited, Evalueserve's (Group Companies) includes Evalueserve SEZ (Gurgaon) Private Limited and Evalueserve.com Private limited. and AON 's (Group Companies) includes AON Consulting Pvt. Ltd. And AON India Insurance Brokers Pvt. Ltd.

**Future Development**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Gurgaon One Realty Projects Private Limited, which is 50% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q2 FY 2030-31
<b>Asset type:</b>	Approved IT/ITeS SEZ
<b>Sub-market:</b>	Gurugram South
<b>Approved Usage:</b>	IT/ITeS SEZ
<b>Leasable Area:</b>	103,884 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

Source: Architect's Certificate (30<sup>th</sup> October 2024), and Client Information



### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 12 operational buildings along with one future development areas was physically inspected on 20 <sup>th</sup> March 2024 (Subsequently no site visits have been conducted).
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational buildings</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>Area provisioned for Future development.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Building:</b> <p>The operational buildings in the campus are Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, two amenity blocks (Block 1 &amp; 2), with OC received collectively admeasure 37,27,329 sq. ft.<sup>#</sup> of leasable area.</p> <p>The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>Office: 10 office towers namely 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 having leasable area of 36,28,928 sq. ft. The office towers are occupied by multiple tenants. Major tenants in these towers are Capgemini, Wipro, Evalueserve, Midland Credit Management etc.</li> <li>Amenity Block: Two amenity blocks: Block 1 &amp; 2 having total leasable area of 98,166 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B (in the form of multi-cuisine food courts and in-house kitchens), bank ATM, creche, sports arena, wellness centre, etc. Major tenants in these blocks are JRD (Food Boulevard), Maira Fitness, PNR.</li> </ol> </li> <li> <b>Future development:</b> <p>The Future Development with leasable area of 103,884 sq. ft. is expected to be completed by Q2-FY 2030-31.</p> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property has STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul>	

#### **Awards & Certifications**

- G1 has been awarded the IGBC Platinum Rating for sustainability in addition to the BEE 5-star rating for energy efficiency and group wide ISO Certification for Quality, Environment, Occupational Health & Safety and Energy management, namely ISO 9001, ISO 14001, ISO 45001 and ISO 50001

#### **Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 5,780 (including future developments) parking spaces.

#### **Other Observations**

- The Subject Property has two entry and two exit points which are managed according to the campus traffic circulation plan.
- Apart from regular upgradation activities, the Subject Property has witnessed a major revamp (both inside and outside the campus) leading to overall improved aesthetics.
- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- The utility areas also appeared well maintained, visually.
- No instances of any major logging or water accumulation were observed during the inspection.

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024

#### **Note:**

- a. The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.
- b. The increase in leasable area is due to change in efficiency.

### 3.3 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance/upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by Cushman and Wakefield who were appointed by the Client to undertake market research and portfolio analysis of the Property part of the REIT.

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property

Architect's Certificates (Dated: 30th October 2024) mentioning site areas and property areas

Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property

Lease agreements and commercial clauses thereof for major tenants on a sample basis

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the property.

### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~82% of leased area and ~83% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenant according to Leased Area	Leased Area (sq. ft.)
1	Capgemini	5,60,546
2	Wipro*	2,98,738
3	FIL India Business & Research Services Pvt Ltd	2,66,769
4	Cognizant Technology	2,55,090
5	Evalueserve*	2,23,774
6	Midland Credit Management India Pvt Ltd	2,21,794
7	R1 RCM	1,35,441
8	NTT Data	1,13,858
9	Xceedance	95,972
10	Guardian India Operations Pvt Ltd	80,001
<b>Total</b>		<b>22,51,983</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

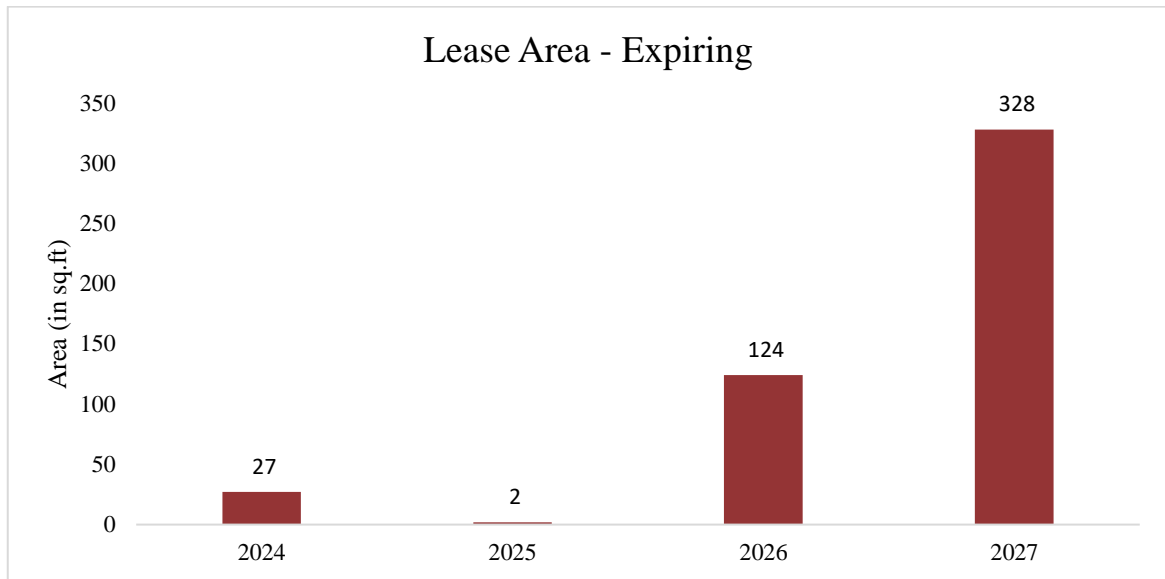
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Capgemini	19%
2	Wipro*	10%
3	Cognizant Technology	10%
4	FIL India Business & Research Services Pvt Ltd	10%
5	Evalueserve*	9%
6	Midland Credit Management India Pvt Ltd	8%
7	R1 RCM	5%
8	NTT Data	4%
9	Xceedance	4%
10	Guardian India Operations Pvt Ltd.	3%
<b>Total</b>		<b>83%</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

\* Wipro's (Group Companies) Includes M/s Wipro HR Services India Private Limited and Wipro Limited, Evalueserve's (Group Companies) includes Evalueserve SEZ (Gurgaon) Private Limited and Evalueserve.com Private limited.

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the property is 7.0 years, with ~17% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. The time-period for 2024 is considered from 1st October 2024 till 31st December 2024.

## 4 Valuation Approach & Methodology

### 4.1 Asset-specific Review:

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and other related documents as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### 4.2 Micro-market Review:

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by the Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner

1. An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective Property vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by Cushman and Wakefield and readily available information in public domain to ascertain the transaction activity of commercial/IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

#### 4.3 Cash Flow Projections:

1. Subject property is a completed building. The cash flows has been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The following steps were undertaken to arrive at the value. The projected future cash flows from the property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1&2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11<sup>th</sup> year - considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11<sup>th</sup> year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

#### 4.4 Information Sources:

Property related information relied upon for the valuation exercise have been provided to the Valuer by the Client and the market data has been provided by Cushman and Wakefield, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.



## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Property Details

Property Details	Unit	Details
Total Leasable Area	Sq. ft.	37,27,239
Area Leased	Sq. ft.	27,50,115
Committed Occupancy*	%	73.8%
Vacant Area	Sq. ft.	9,77,124
Vacancy	%	26.2%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	Sq. ft.	8,83,943
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases (First Year)	Months	1
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	5780
Estimated Leasing Period	# of quarters	12

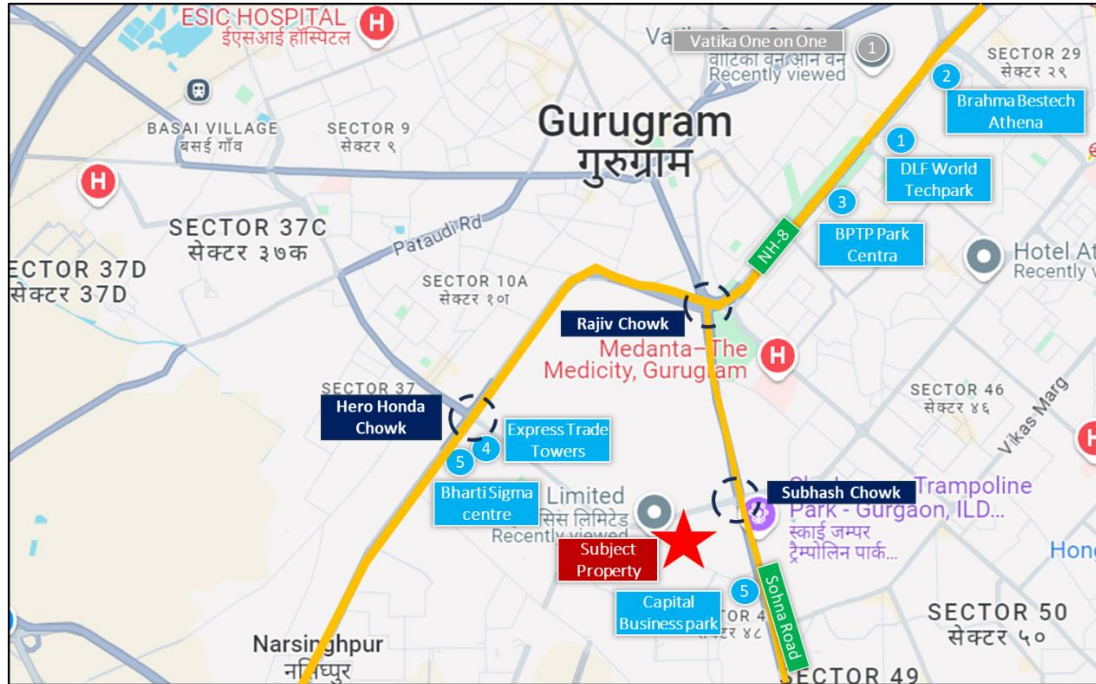
Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable Area

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2022 – 9M CY 2024, the Gurugram South micro market has witnessed an average annual net absorption of approximately 0.17 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.68 msf. per annum till 2026E.
  - In past 6 months net occupancy has increased by 0.18 msf. If the same pace is considered, the subject property will be able to lease up vacant space in 10 quarters.
  - As per the information provided by the client approximately 0.52 msf of vacant area is proposed to be converted into Non-SEZ area. This conversion will help in the future absorption of the vacant area. Also, as per the information provided by the client, currently approx 0.62 msf of future lease pipeline is at various stages of discussion.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.88 msf within 12 quarters from January 2025 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2024.

**Subject Property and Relevant Existing/Upcoming Supply in the Gurugram South Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply and grey box signifies upcoming supply.



## Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 80.00
Achievable Market Rent- Office (Base) (Non-SEZ area)	Per sq. ft. per month	INR 84.00
Achievable Market Rent- Retail (Base)	Per sq. ft. per month	INR 96.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 84.00
Achievable Market Rent - Office (including Parking) (Non-SEZ area)	Per sq. ft. per month	INR 88.00
Achievable Market Rent - Retail (including Parking)	Per sq. ft. per month	INR 100.00
Other Income	Per sq. ft. per month	INR 0.63
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% p.a.	4.0%
O&M Markup Growth Rate (MIOP Margin*)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 7.7

*Note: \*MIOP (Candor India Office Park) provides project management services to the properties of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

*Income Support is applicable on the areas that are currently vacant and on identified expiries due in FY 2024. The Income Support and CAM support of INR 80 and INR 12 PSF/Month respectively are applicable till March 31, 2024. Both will escalate by 5% from April 1, 2024 and be applicable till March 31, 2025."*

### • Market rent - office:

- Achievable market rent includes parking charges of INR 4 per sq. ft. per month (considering the parking rent of INR 5,000 per slot per month)
- Approximately 0.30 million sq. ft. was leased in the rental range of INR 78-89 per sq. ft. per month (including parking).

### Lease Transactions for FY' 2024 & FY' 2025

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft) (Including Parking)
Professional Services	2024	92,239	82
Financial Services	2024	66,802	80
Professional Services	2024	17,300	85
Professional Services	2024	31,045	82
IT Company	2024	27,695	89
Professional Services	2024	63,647	78

*Source: Rent roll as at 30<sup>th</sup> September 2024 and Client Information*

- Considering the location, accessibility, quality and size of the building, enable the Subject Property's monthly rental would be INR 84 per sq. ft. per month (inclusive of parking) in SEZ area and INR 88 per sq. ft. per month (including parking charges) for Non SEZ Area as Non SEZ IT/ITeS area gets leased at a premium of 5% compared to SEZ area.



- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5-6% in the medium to long term.

The occupiers have started evaluating their return to office strategy. However, as the same is likely to take some time to translate into demand for office space. Hence, we have considered an annual rental growth of 5.0% during FY'26 onwards.

- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and MIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it; the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'25 ranges from INR 6-11 per sq. ft. per month.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 75% where it was more than 75%, when the area gets re-leased on expiry.
- **MIOP:** The total MIOP expense for the period between 1<sup>st</sup> April 2024 – 31<sup>st</sup> March 2025 for G1 is considered to be INR 6 Million and escalated at 6.5% annually for subsequent years. Thus, the MIOP expense for the period, the tenants are charged INR 3.65 - 8.54 per sq. ft. per month, based on their tenancy type on account of MIOP expense plus Mark-up. For the purpose of valuation, as per the understanding given to us by the client, we understand that G1 will not be entitled to receive MIOP income and corresponding cost till FY'2053-54. Post FY'2053-54, net cash flow from MIOP will be included in the valuation. The same has been reflected in our valuation.

### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 7.07
Property Tax	Per sq. ft./month	INR 0.13
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

*Please note that there is a general development expenditure of INR 1,015 million to be incurred on the Subject Property*

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards. Insurance cost forms a part of O&M cost and has been adjusted against the O&M Margin.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc



## Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates.

In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for a proposed public listing with better liquidity/marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market player

- **Discount Rate**

This discount rate applied to the available cash flows reflect the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.



**Future Development: Tower 11**

Please note that all assumptions mentioned above under the “Completed Property” section holds true for “Future development” buildings. The exceptions if any are as elaborated below:

**Property Details**

Property Details	Unit	Future Development
Total Leasable Area	Sq. ft.	103,884
Stabilized Vacancy	%	2.5%
Existing Lease Rollovers	%	100%
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	7

**Construction Related Assumptions**

Construction Related Assumptions	Units	Future Development
Start Date of Construction	MMM-YY	October -29
End Date of Construction	MMM-YY	September - 30
Total Construction Cost	INR Million	493
Construction Cost Incurred till Date	INR Million	-
Construction Cost to be Incurred	INR Million	493

**Notes:**

1. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 80.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 84.00
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% p.a.	4.0%
O&M Markup Growth Rate (MIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 7.7

*Note: \*MIOP (Candor India Office Park) provides project management services to the Subject Property of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

### Capitalization Rate and Discount Rate

With reference to the explanation in completed property section, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year. Owing to the various risks pertaining to the under-construction/ future development properties, we have considered a risk premium of 125bps, to derive the WACC of 13.00% for future development properties. This is in line with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 51,582 Million	Indian Rupees Fifty-One Billion Five Hundred and Eighty-Two Million Only
Future Development	30 <sup>th</sup> September 2024	INR 547 Million	Indian Rupees Five Hundred and Forty - Seven Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 6,600 per sq. ft.
Land area	INR 1,80,000 per sq. yard.

For reference, please refer Annexure 7

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by



(L. Anuradha)  
IBBI/RV/02/2022/14979



## **D ANNEXURES**



## **Annexure 1: Cash Flows**

**Completed Buildings:** with Occupancy Certificate (OC) received (Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and Amenity Block 1 & 2)

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking Income)	INR Million	2,650	3,180	3,653	3,950	4,146	4,562	4,936	5,108	5,369	5,606	5,831
O&M Markup	INR Million	265	311	356	390	405	425	444	462	482	504	524
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	31	32	34	36	38	39	41	43	46	48	50
<b>Total Income</b>	<b>INR Million</b>	<b>2,946</b>	<b>3,524</b>	<b>4,042</b>	<b>4,375</b>	<b>4,589</b>	<b>5,026</b>	<b>5,422</b>	<b>5,614</b>	<b>5,897</b>	<b>6,158</b>	<b>6,405</b>
<b>OPERATING COSTS</b>												
CAM Cost for Vacant Areas	INR Million	(71)	(44)	(17)	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(6)	(6)	(7)	(7)	(7)	(8)	(8)	(9)	(9)	(10)	(10)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(77)</b>	<b>(51)</b>	<b>(24)</b>	<b>(7)</b>	<b>(7)</b>	<b>(8)</b>	<b>(8)</b>	<b>(9)</b>	<b>(9)</b>	<b>(10)</b>	<b>(10)</b>
<b>Net Operating Income</b>	<b>INR Million</b>	<b>2,869</b>	<b>3,473</b>	<b>4,019</b>	<b>4,368</b>	<b>4,582</b>	<b>5,018</b>	<b>5,413</b>	<b>5,606</b>	<b>5,888</b>	<b>6,148</b>	<b>6,395</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	79,943	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(799)	
Fit Out Income	INR Million	26	26	30	30	30	35	35	35	40	40	
<b>Total Net Income</b>	<b>INR Million</b>	<b>2,895</b>	<b>3,500</b>	<b>4,049</b>	<b>4,398</b>	<b>4,612</b>	<b>5,053</b>	<b>5,448</b>	<b>5,640</b>	<b>5,928</b>	<b>85,332</b>	
Maintenance Capex	INR Million	(53)	(64)	(73)	(79)	(83)	(91)	(99)	(102)	(107)	(112)	
Brokerage Expenses	INR Million	(37)	(76)	(76)	(28)	(0)	(95)	(27)	(31)	(40)	(62)	
Rental Support	INR Million	292										
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(936)</b>	<b>(79)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>2,162</b>	<b>3,282</b>	<b>3,900</b>	<b>4,291</b>	<b>4,529</b>	<b>4,867</b>	<b>5,323</b>	<b>5,507</b>	<b>5,780</b>	<b>85,158</b>	

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Completed Buildings MIOP 30 Years Calculation:** with Occupancy Certificate (OC) received (Tower 1, 2, 3, 4, 5, 6, 7, 9, 10 and Amenity Block 1 & 2)

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35	30-Sep-36	30-Sep-37	30-Sep-38
MIOP Income	INR Million	105	233	268	294	310	325	342	359	377	394	414	434	456	479
MIOP Expenses	INR Million	(3)	(6)	(7)	(7)	(8)	(8)	(9)	(9)	(10)	(11)	(11)	(12)	(13)	(14)
Net Cashflow	INR Million	101	227	261	286	302	317	333	349	367	383	402	422	443	465
<b>Terminal Cashflow</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Unit	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
		30-Sep-39	30-Sep-40	30-Sep-41	30-Sep-42	30-Sep-43	30-Sep-44	30-Sep-45	30-Sep-46	30-Sep-47	30-Sep-48	30-Sep-49	30-Sep-50	30-Sep-51	30-Sep-52	30-Sep-53	30-Sep-54
MIOP Income	INR Million	503	528	554	582	611	642	674	708	743	780	819	860	903	948	996	510
MIOP Expenses	INR Million	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(23)	(24)	(26)	(28)	(29)	(31)	(33)	(35)	(18)
Net Cashflow	INR Million	488	512	538	564	592	622	652	685	719	754	792	831	872	915	960	492
<b>Terminal Cashflow</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,292	-

MIOP income has been escalated 5% p.a. and MIOP expenses has been escalated 6.5% p.a.

As described on page 45, as per the information given by the client, G1 is entitled to receive MIOP net income post FY'2054-55.



Future Development: Tower 11

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking Income)	INR Million	-	-	-	-	-	-	25	104	143	150	162
O&M Markup	INR Million	-	-	-	-	-	-	4	11	13	14	14
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	-	-	<b>29</b>	<b>115</b>	<b>156</b>	<b>164</b>	<b>176</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	-	-	<b>29</b>	<b>115</b>	<b>156</b>	<b>164</b>	<b>176</b>
<b>OPERATING COSTS</b>												
CAM Cost for Vacant Areas	INR Million	-	-	-	-	-	-	(7)	(1)	-	-	-
Property Taxes	INR Million	-	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	-	-	-	-	<b>(7)</b>	<b>(1)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Net Operating Income</b>	<b>INR Million</b>	-	-	-	-	-	-	<b>22</b>	<b>114</b>	<b>156</b>	<b>164</b>	<b>176</b>
<b>Terminal Value</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	2,198	
<b>Transaction Cost</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	(22)	
<b>Fit Out Income</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	-	-	-	-	-	-	<b>22</b>	<b>114</b>	<b>156</b>	<b>2,340</b>	
Maintenance Capex	INR Million	-	-	-	-	-	-	(0)	(2)	(3)	(3)	
Brokerage Expenses	INR Million	-	-	-	-	-	-	(13)	(10)	-	-	
Total Construction Costs	INR Million	-	-	-	-	-	(493)	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	-	-	-	-	-	<b>(493)</b>	<b>8</b>	<b>102</b>	<b>153</b>	<b>2,337</b>	

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Future Development MIOP 30 Years Cashflows: Tower 11**

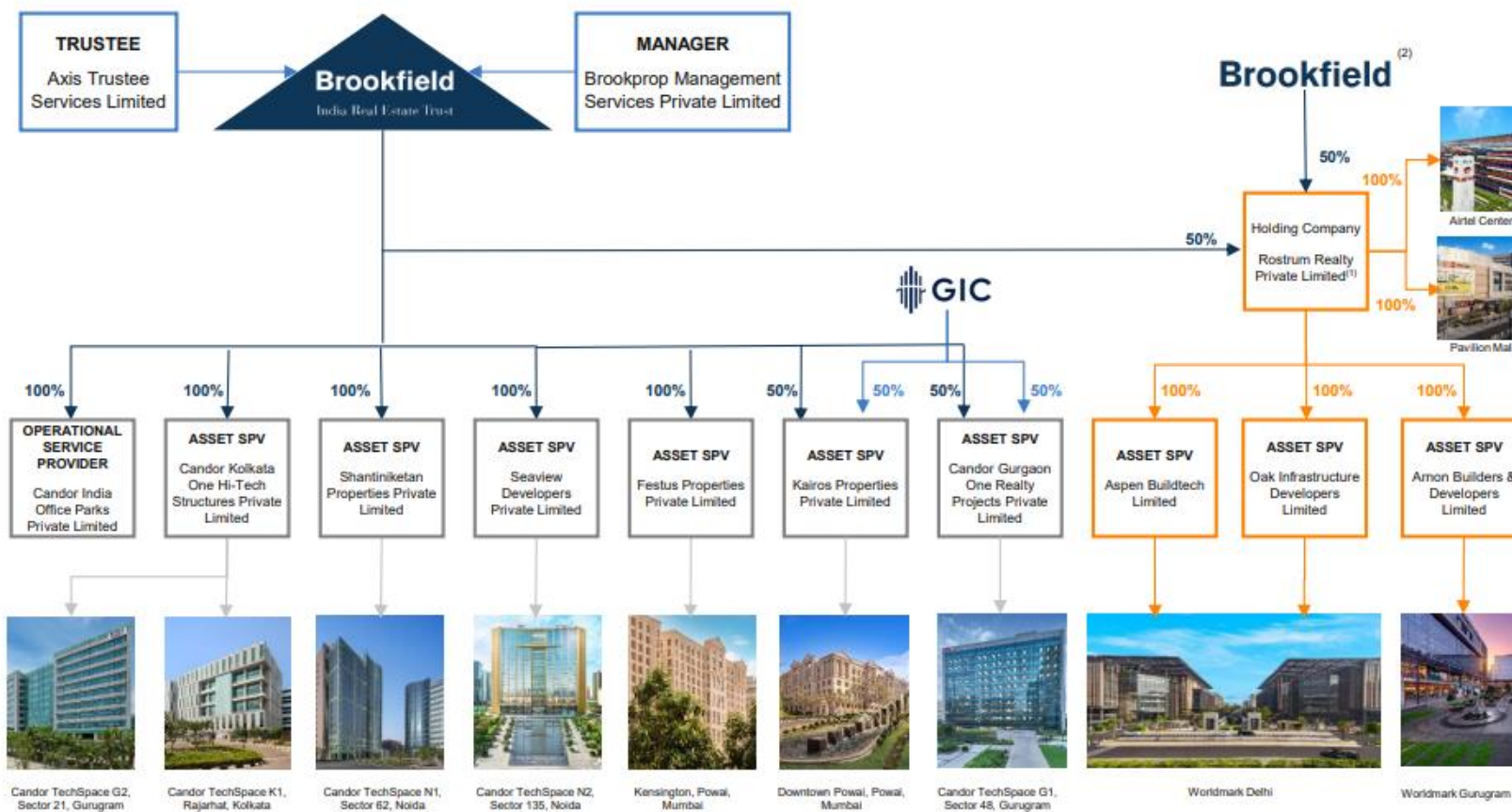
Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35	30-Sep-36	30-Sep-37	30-Sep-38
MIOP Income	INR Million	-	-	-	-	-	-	5	9	11	11	12	12	13	13
MIOP Expenses	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow	INR Million	-	-	-	-	-	-	5	9	11	11	12	12	13	13
Terminal Cashflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Unit	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
		30-Sep-39	30-Sep-40	30-Sep-41	30-Sep-42	30-Sep-43	30-Sep-44	30-Sep-45	30-Sep-46	30-Sep-47	30-Sep-48	30-Sep-49	30-Sep-50	30-Sep-51	30-Sep-52	30-Sep-53	30-Sep-54
MIOP Income	INR Million	14	15	16	16	17	18	19	20	21	22	23	24	25	27	28	14
MIOP Expenses	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cashflow	INR Million	14	15	16	16	17	18	19	20	21	22	23	24	25	27	28	14
Terminal Cashflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	358	-

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



## Annexure 2: Ownership Structure



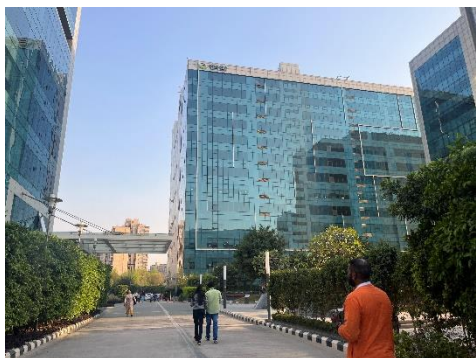
### Notes:

1. By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from May 4 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020s



[illegible]

**Annexure 4: Property Photographs**



External View of Subject Property



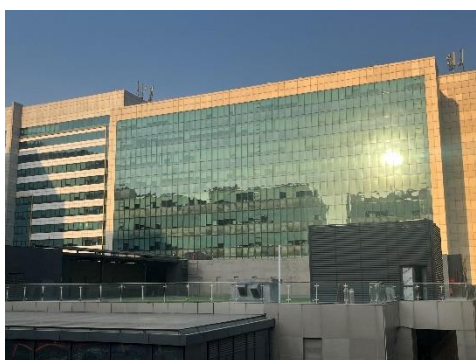
External View of Subject Property



External View of Subject Property



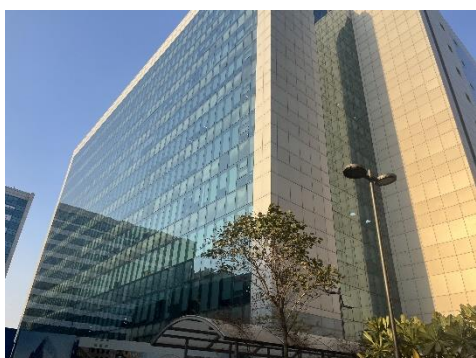
External View of Subject Property



External View of Subject Property



External View of Subject Property



External View of Subject Property



External View of Subject Property





External View of Subject Property



External View of Subject Property



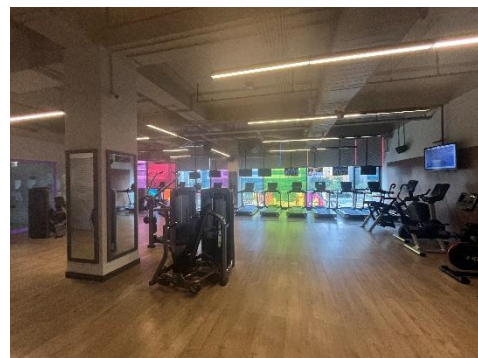
External View of Subject Property



Internal View of Subject Property



Internal View of Subject Property



Internal View of Subject Property

**Annexure 5: Statement of Key assets**

Building	No/Name	B1	B2	B3	B4	B5	B6	B7	B8 (UC)	B9
No of DG Capacity	KVA	(3X1500KVA+ 1x1010KVA)	(2x1010KVA+6x1500KVA)		(7x1500 KVA+1x1010KVA)		(3x 1500KVA)	(3x 2000 KVA)		(3x 1500KVA)
No of Transformer/Capacity	KVA	(2X1600KVA)	(2X2500KVA)	(3X1600KVA)	(2X1600KVA)	(3X2000KVA)	(2X1500KVA)	(4X2500KVA)		(2X1600KVA)
Chiller Rating	TR	( 3 X 450 TR )	( 5 X 450 TR )		( 5 X 450 TR )		( 3 X 400 TR )	( 3 X 450 TR )		( 3 X 400 TR )
Cooling Tower	TR	HVAC- 3 X 450 TR DG- 3 X 150 TR + 1 X 100 TR	HVAC- 5 X 450 TR DG- 6 X 150 TR + 2 X 100 TR		HVAC- 5 X 450 TR DG- 7 X 150 TR+ 1 X 100 TR		HVAC- 3 X 400 TR DG- 3 X 150 TR	HVAC- 3 X 450 TR DG- 3 X 200 TR		HVAC- 3 X 400 TR DG- 3 X 150 TR
FF System (Pumps & Engine)	KW/HP	Jockey Pump: 2 X 9 KW Hydrant Pump: 1 X 110KW Sprinkler Pump: (1 X 110 KW) Curtain Pump: 55 KW X 1 Engine Pump: (1 X 113.2 KW)			Jockey Pump: (2 X 9KW)  Sprinkler Pump: (1 X 110 KW) Curtain Pump: 55KW X 1  113.2 KW)  Hydrant Pump: 1*110KW  Engine Pump: (1 X					
Water Pumping System (Domestic & Flushing)	KW	Domestic: 2 X 11 KW Flushing: 2 X 4 KW	Domestic: 2 X 11 KW Flushing: 2 X 4 KW	Domestic: 2 X 9 KW Flushing: 2 X 3 KW	Domestic: 2 X 11 KW Flushing: 2 X 7.5 KW	Domestic: 2 X 7.5 KW Flushing: 2 X 7.5 KW	Domestic: 2 X 11 KW Flushing: 2 X 5.5 KW	Domestic: 2 X 11 KW Flushing: 2 X 7.5 KW		Domestic: 2 X 2.2 KW Flushing: 2 X 4 KW
STP Rating	KLD	630 KLD X 1 + 500 KLD X 1								
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell		Bare Shell

## **Annexure 6: List of sanctions and approvals**

List of one-time sanctions/approvals which are obtained or pending:

### **Approvals Received**

- a) Building Plan Approvals for all existing/ under construction buildings and amendments thereof
- b) Full Occupancy Certificates received for all the operational buildings
- c) Sewerage Approvals for all buildings and the common campus area
- d) Consent to Establish (CTE)
- e) Environment Clearance Certificate
- f) One-time Fire NOC
- g) Height clearance NOC from AAI
- h) SEZ Notification by The Gazette of India and by Haryana Government
- i) BOCW Registration
- j) Forest Clarification
- k) Approval of Service Plan Estimates
- l) Consent to Operate (CTO)
- m) EC (revalidation)

### **Approvals Pending**

Approvals for Future Development Area

**Annexure 7: Ready Reckoner Rate**

Proposed Collector rate list of Sub Tehsil Badshahpur, District Gurugram for the year 2023-24									
Sr. No.	Huda Sectors	Rates for the year of 2022-23				Proposed Rates for the year of 2023-24			
		Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO / SCS	Office /IT Space (Rs. Per Sq. feet )	Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO/SCS	Office /IT Space (Rs. Per Sq. feet )
1	Sec-33, 38, 47, 48, 49, 50	44000	165000	10000	6600	60000	180000	11000	6600
2	Sec-62, 63, 66, 69, 70, 70A, 71, 72	36500	100000	6000	4500	45000	135000	7800	4500
3	Sec-63, 63A, 64, 67, 67A, 68	28500	85000	4000	3100	35000	100000	5200	3100
4	Other Area in Sub-Tehsil Badshahpur	NA	9000	6600	NA	NA	9900	7500	NA

Naib Tehsildar, Badshahpur  
 SDO (c) Badshahpur  
 DRO Gurugram  
 Deputy Commissioner-cdm- Registrar, Gurugram.



### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by client, following major repairs/upgrades have been taken up in the past:

- Installation of a 66 KV sub-station in the office park, which we believe has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for our tenants;
- Undertaken renovations at the office park such as refurbishing the food court, landscaping and lobby improvements to enhance the overall experience;
- • Resolved traffic congestion issues by streamlining the entry and exit from the campus and using RFID parking system.; and
- Installed rooftop solar panels and additional rain water harvesting pits to reduce its carbon footprint

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India REIT** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written



and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



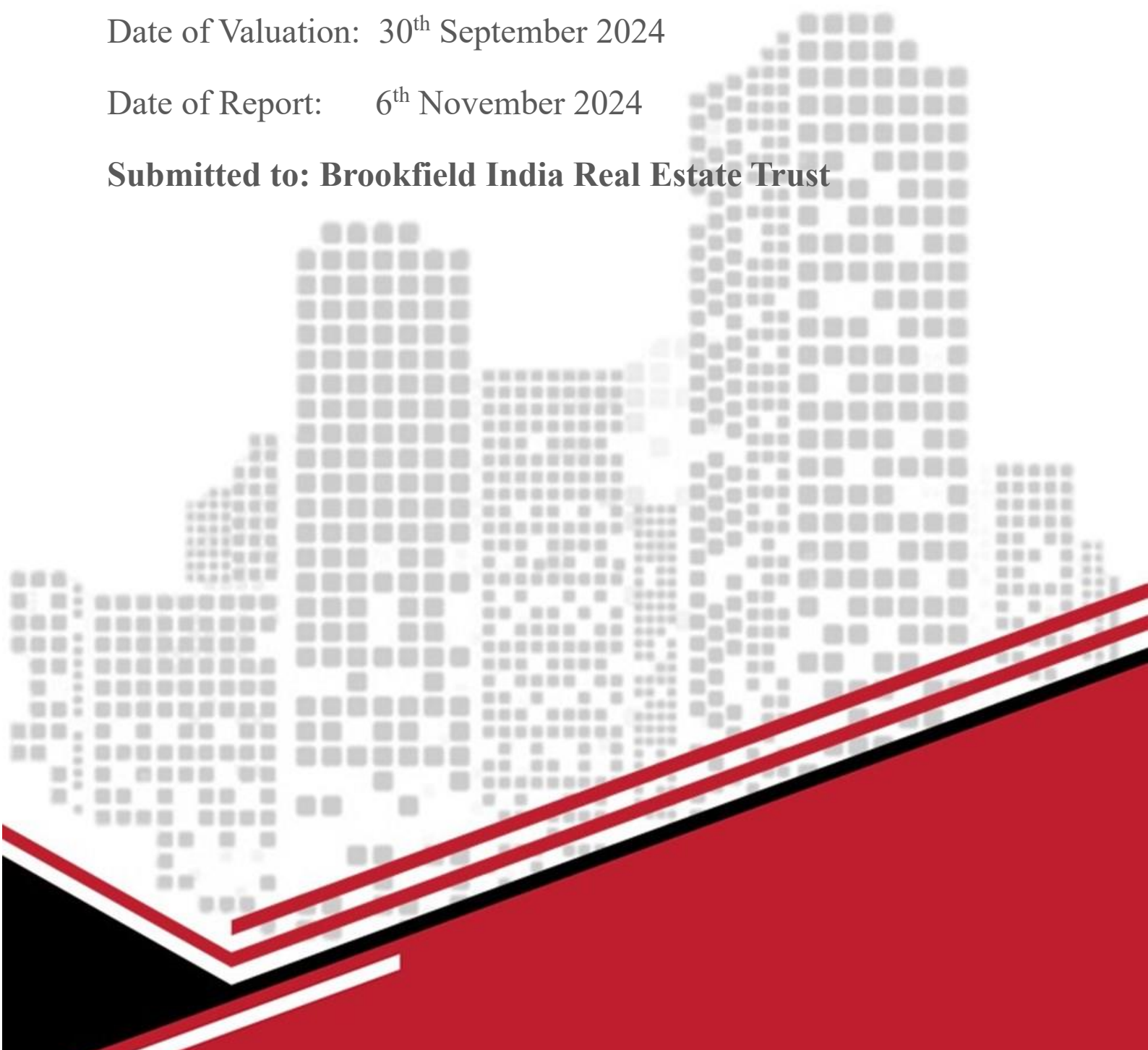
# **VALUATION REPORT**

## **Candor Techspace N1, Sector - 62, Noida, NCR**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**





## **Disclaimer**

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> August 2024 to Letter of Engagement ("LOE") dated 23<sup>rd</sup> December 2022 & addendum to LOE dated 22<sup>nd</sup> September 2023, without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23<sup>rd</sup> December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry, nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

<b>Candor Techspace IT/ITeS SEZ (N1), Sector - 62, Noida, Uttar Pradesh, India</b>	
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024
<b>Site Visit Date:</b>	19 <sup>th</sup> March 2024 (Subsequently no site visit has been conducted)
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India Real Estate Trust in accordance with the SEBI (REIT) Regulations, 2014
<b>Location / Situation:</b>	<p>Candor Techspace N1 (herein after referred to as N1 and/ or Subject Property) is located at Plot no. B2, Sector - 62, Noida, Gautam Buddha Nagar, one of the established IT/ITeS office destinations of Noida.</p> <p>The Subject Property is accessible via two roads viz. 30-meter-wide sector road towards West, which further connects to National Highway 9 (erstwhile NH 24) on North and a 45-meter-wide internal road towards East.</p> <p>N1 is also well connected with other parts of the city through road and metro rail network. The Subject Property lies in close proximity to various office developments such as Stellar IT Park, Logix Cyber Park, Embassy Galaxy, 3C Green Boulevard, etc.</p>
<b>Description:</b>	<p>N1 constitutes 9 buildings and can be segregated under Completed/ Operational (with OC received) and future development buildings. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Block 1, 2, 3, 5, 6, 7 (Amenity Buildings (7) Block I and II) &amp; Block 8(Amenity Block III)</li> <li>Future development (2) : Block 4A and Block 4B</li> </ul> <p>The Completed buildings collectively admeasure 19,93,413 sq. ft.# of leasable area. Currently the committed occupancy in the Completed building is 97.45% *.</p> <p>Future Developments includes Block 4A and 4B having leasable area of 4,40,052 sq. ft. and 4,18,411 sq. ft. respectively. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. These Blocks are expected to be ready by Q1 FY 2029-30 (Block 4A) and Q4 FY 2027-28 (Block 4B).</p> <p>The Subject Property offers interactive spaces and other amenities including cafeteria, creche, convenience store, gymnasium, medical wellness centre, electrical vehicle charging station etc.</p>
<b>Total Area:</b>	<p>Total Plot Area: 19.250 Acres</p> <p>Completed Leasable Area#: 19,93,413 sq. ft.</p> <p>Future Development Leasable Area: 858,463 sq. ft.</p> <p>Total Leasable Area#: 28,51,876 sq. ft.</p>



Block 3 of Subject Property



Block 2 of Subject Property



Block 5 of Subject Property



Food Court of Subject Property



Access road to Subject Property

Source: Architect's Certificate (dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area

# The increase in leasable area is due to change in efficiency.

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 23,292 Million	Indian Rupees Twenty - Three Billion Two Hundred and Ninety – Two Million Only
Future Development	30 <sup>th</sup> September 2024	INR 3,355 Million	Indian Rupees Three Billion Three Hundred and Fifty-Five Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Property:** Candor Techspace N1, Sector - 62, Noida

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Noida (hereinafter referred to as “Subject Property” and/or “Candor Techspace N1”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha Vijay is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&W”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining Cushman, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies

for some of the State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. L. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. L. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

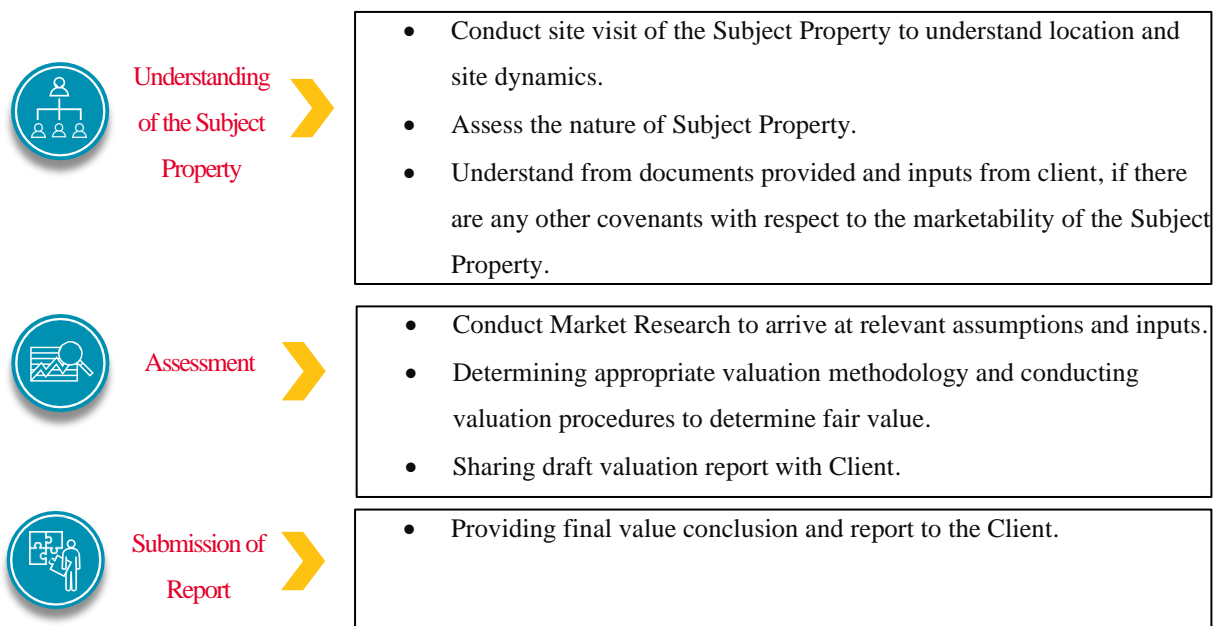
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as *‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’*

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same has been derived by the following approach:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the Subject Property to prospective tenants, typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/ above market leases on the valuation of the Subject Property.

***For the purpose of valuation of Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.***

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock - in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.



## **8 Inspection**

The Subject Property was inspected on 19<sup>th</sup> March 2024 by the valuer (Subsequently no site visit has been conducted). No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

The Subject Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by him due to such usage other than for the purpose as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in her favor, reasonably satisfactory to him for any use of the Report

other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement to **Brookprop Management Services Private Limited (“Manager”)**, the **Brookfield India REIT (“Brookfield REIT”)** and auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), credit rating agencies and Axis Trustee Services Limited, the trustee to the **Brookfield REIT (“Trustee”)** for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers. The Valuer, however, would extend no liability to such reliant parties.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation (“Reliant Party”) and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer’s total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an ‘expert’ in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim (“Claim Parties”) in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel’s fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

## 14 Disclosure and Publication

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate

Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

## **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under the LOE including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate the LOE without any liability or obligation on her part.

Such termination of the LOE shall not in any way prejudice the rights and obligations (including payment for the services delivered under the LOE) already accrued to the Valuer, prior to such termination.



## **B National Capital Region Overview**

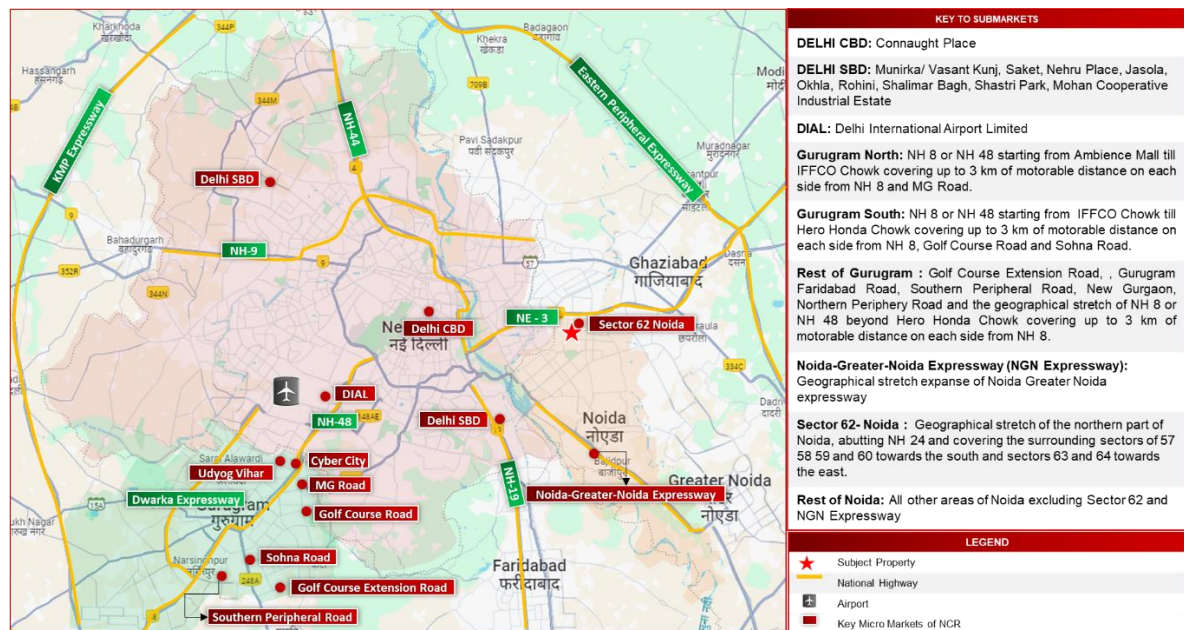


For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out the industry and market report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (*Source: www.un.org*). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan. In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



*Source: Cushman and Wakefield Research*

*(Map not to scale)*

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Gurugram Others)
3. Noida (which further comprises micro-markets viz, Sector - 62, Noida-Greater Noida (NGN) Expressway & Rest of Noida)
4. DIAL

The table below highlights the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL	Gurugram	Noida*	Sector - 62, Noida^
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33	7.36
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62	7.02
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%	4.6%
<b>Avg. Annual Absorption – CY 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16	0.33
<b>Future Supply – Q4 CY 2024 E – CY 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09	1.25
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55	55

Source: Cushman and Wakefield Research

Notes:

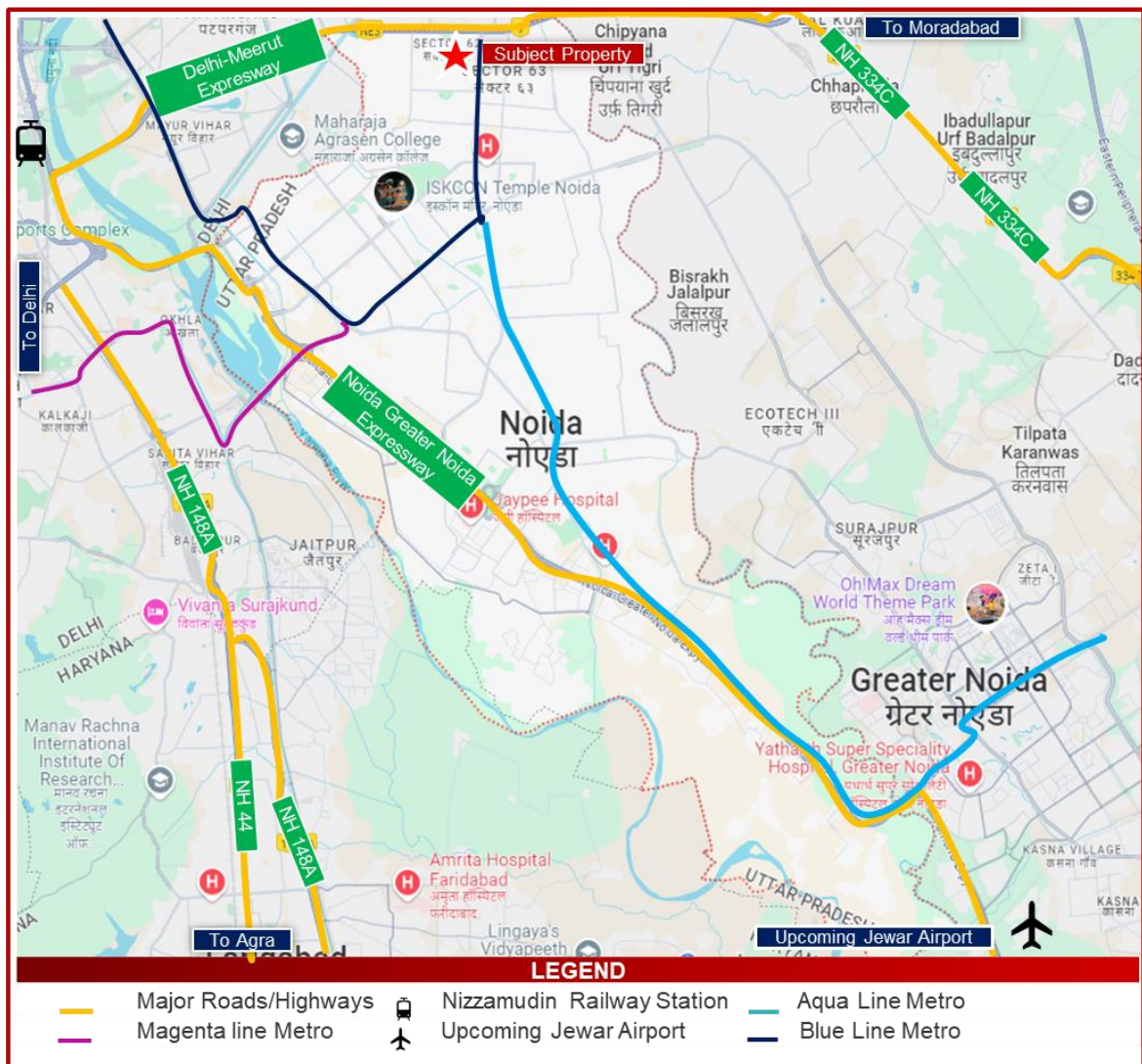
1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT's city market for the Subject Property.
4. ^Brookfield India REIT's micro market within Brookfield India REIT's city market for Subject Property.
5. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
9. Rentals presented above are weighted average values on completed stock.

## 2 Brookfield India REIT's City Market - Noida

Candor Techspace N1 is a Grade-A asset, developed on a leasehold land parcel, located in Noida city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

Noida, located in the State of Uttar Pradesh, is an integral part of the NCR. It is a planned city located in Gautam Buddha Nagar district. Further, it is located at about 25 km South-East of Central Delhi and can be accessed from Central Delhi via: Delhi - Noida Direct (DND) Flyway or Toll Bridge; Sarita Vihar or Kalindi Kunj Road; and the Nizamuddin Flyover. It is bound on the West and South-West by the Yamuna River and on the North-East by Ghaziabad.



Source: Cushman and Wakefield Research  
(Map not to scale)

The primary office clusters in Noida are concentrated towards sector 16, 18, 32 and 57 - 65 and on the belt running along Noida Expressway. The office developments in these sectors constitute a mix of investment grade and sub investment grade developments. Noida Expressway primarily constitutes investment grade

developments. Sector 16, 18, 32 houses commercial developments, however the other two office clusters predominantly offer IT / ITeS and SEZ developments. To name a few, established players like Brookfield, Blackstone, Logix Group and Advant etc. have their footprint in Noida. Along with prominent office spaces, Noida Expressway has recently become a hub for international schools as well. Some well-known schools operational on NGN Expressway are Lotus Valley International School, Gyanshree School, Mayoora School, Pathways International, Amity International etc.

Traditionally, retail cluster in Noida had remained confined to Sector 18 which is also known as the “Atta Market”. The Sector 18 market is also the main high street retail destination of Noida. Gradually, as the development activity in the city progressed a number of malls got developed in sector 16, 18 and 32. Few of the prominent retail malls in the city are Great India Place, DLF Mall of India (one of the largest in NCR with leasable area of approximately 2 million sq. ft.), Centre Stage Mall, Gardens Galleria, Spice Mall, Logix City Center Mall etc. ~ together, all these retail malls contribute to a significant percentage of organized retail supply of the city.

Residential supply of the city can be divided under established and upcoming sectors. The established sectors of Noida such as 14, 15, 21, 22, 45, 55, 56, etc. constitute plotted developments through government or unorganized players and high-rise developments primarily under cooperative group housing schemes. Central Noida, comprising sectors 72 - 79, the sectors along the under-construction FNG expressway and sectors in Noida Extension are highly dense sectors. Hence, most of the projects in these micro markets comprise high-rise group housing projects. These sectors are being developed by organized players/ developers and primarily cater to Middle Income Group. The sectors along Noida - Greater Noida Expressway have residential projects along both sides. Residential developments in this micro market comprise both plotted developments and high-rise group housing projects. These sectors are being developed by organized players/ developers and cater to all segments viz. Middle-Income Group, Upper Middle-Income Group and High-Income Group.

With approx. 25,000 students graduating every year, Noida has ample talent pool to cater the office occupants present in the city. Amity University, Jaypee Institute of Information & Technology and Sharda University are few of the renowned educational campuses present in Noida.

Noida has been divided into three micro markets:

- Sector - 62, Noida - refers to the Northern part of Noida, abutting NH 24 and covering the surrounding sectors of 57, 58, 59 and 60 towards South and sectors 63 and 64 towards East.
- Noida-Greater Noida (NGN) Expressway - refers to the geographical expanse of NGN expressway.
- Rest of Noida - refers to office clusters in Sectors 16 - 18, Sectors 32 - 34 and Greater Noida West

The key drivers of demand for office space in Noida are as follows:

- **Connectivity and linkages:** Noida is well connected to other nodes of NCR via. Robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work. Noida is the only city in NCR where the physical infrastructure was planned ahead of real estate development. Hence, the city enjoys superior physical infrastructure and planned architectural layout.





- **Lower occupation cost:** Noida has availability of residential and office spaces with rentals and capital values significantly lower than those of Gurugram and Delhi. Hence, the city stands out as it offers quality living at a much lower occupation cost.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** Noida is accessible through multiple modes of transportation and offers residential spaces across various price categories; it attracts talent pool from all adjoining locations.

## 2.2 Key Statistics - Noida

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 24.33 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 18.62 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 23.5%
<b>Avg. Annual Net Absorption (CY 2022 – 9M CY 2024)</b>	Approximately 1.16 msf
<b>Future Supply (Q4 CY 2024E – CY 2026 E)</b>	Q4 2024E: Approximately NIL 2025E: Approximately 1.13 msf 2026E: Approximately 1.96 msf

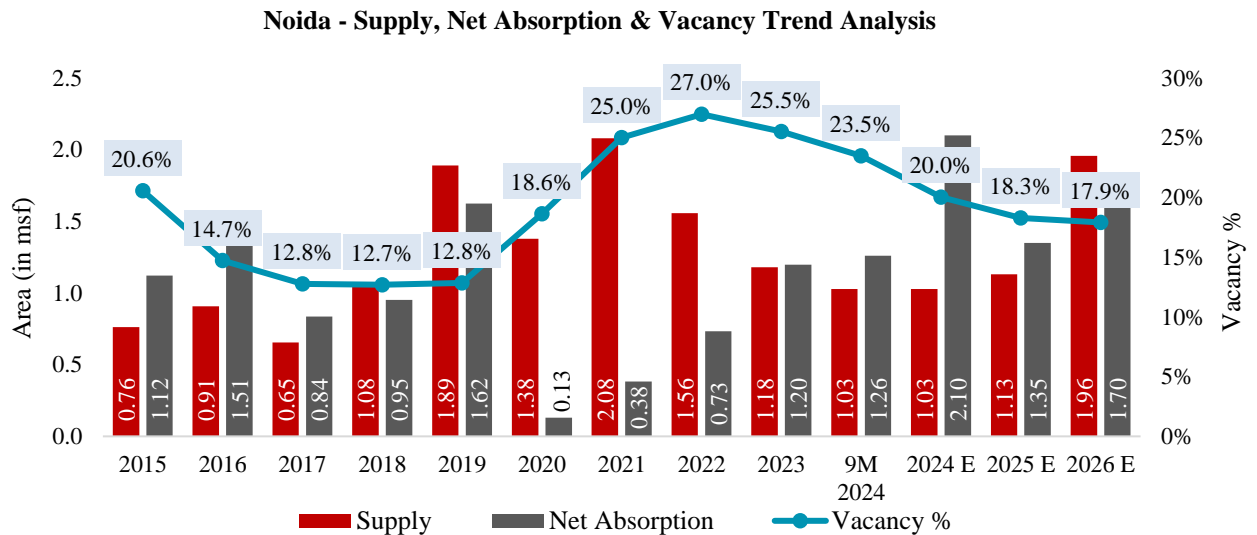
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

## 2.3 Supply, Absorption and Vacancy

The supply, absorption and vacancy trend for Noida is as follows:



Source: Cushman and Wakefield Research

### Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

Noida has emerged as a preferred IT / ITeS destination over the years due to excellent physical infrastructure, affordable rentals and availability of large office spaces. The growth is backed by availability of large talent pool and residential spaces across all price points. The overall perception of Noida has also evolved as an office destination.

Noida over the past 9.75 years has seen an average supply addition of approximately 1.28 msf and an annual average net absorption of approximately 1.00 msf. Noida has always benefited from the presence of superior infrastructure as compared to other cities of NCR. With improvement in intercity connectivity, and quality developments, the absorption is likely to go in the upward direction.

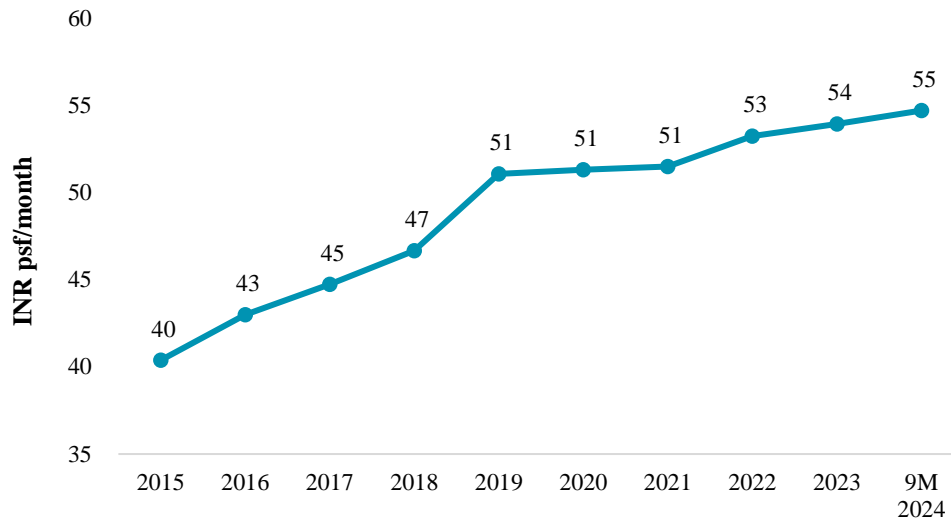
The shift in development status of the city from being dominated by sub-investment grade structures to good campus / large integrated park-based development has resulted in the city to grow exponentially in office segment. With increasing occupier base, and major infrastructure getting developed viz. Jewar Airport in Noida, the same trend is likely to continue in future.



## 2.4 Rental Trend Analysis

The rental trend for Noida is as follows:

### Rental Trend Analysis - Noida



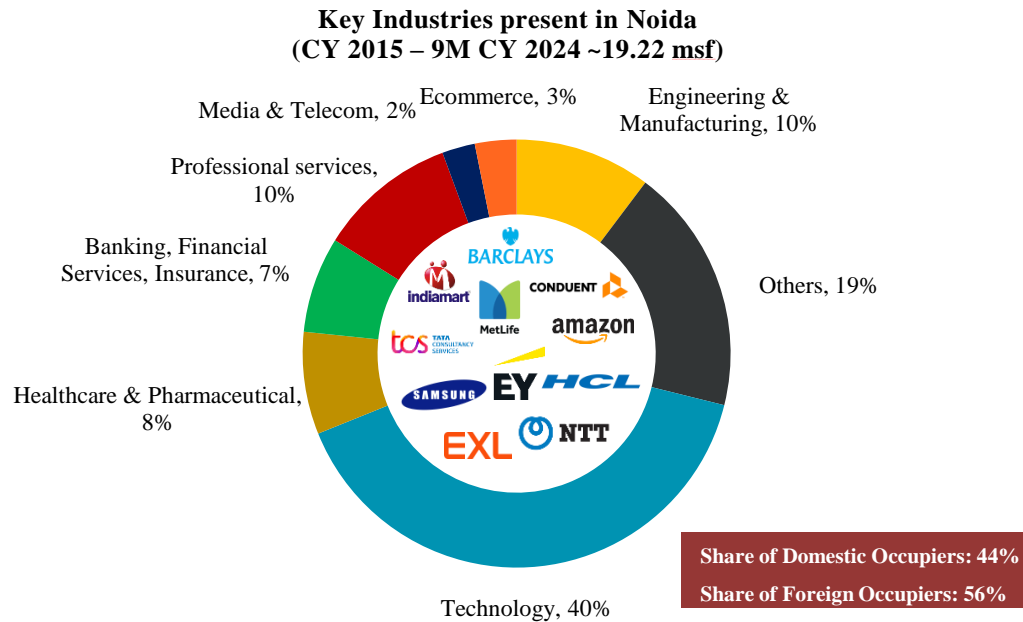
Source: Cushman and Wakefield Research

#### Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet, excluding non-IT buildings across Noida.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals presented above are weighted average values on completed stock.

Established micro markets of Gurugram reaching saturation has resulted in benefiting the Noida micro markets because of the quality workspaces available at competitive rentals. Further, with new infrastructure initiatives viz. Airport at Jewar, the trend is likely to continue in future.

## 2.5 Sectoral Demand Analysis - Noida (CY 2015 – 9M CY 2024)



Source: Cushman and Wakefield Research

### Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of Noida's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale / purchase transactions are excluded from this analysis.

Noida's office supply (which is predominantly IT/ITeS & SEZ in nature) is dominated by Technology occupiers contributing 40% to the overall demand. The other prominent industries contributing 27% to the demand are Engineering & Manufacturing (10%), Professional Services (10%) and BFSI (7%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Noida is 56:44.



### **3 Sector - 62 - Competitive REIT Micro Market**

#### **3.1 Overview**

As per Noida master plan 2031, Sector-62 is zoned as institutional sector. The Competitive REIT Micro Market is located in northern part of Noida and abuts NH - 24. The surrounding sectors of the Brookfield India REIT micro markets are sector 57, 58, 59 and 60 towards South and sector 63 and 64 towards East. Further, it shares its boundaries with Village Khora and Sector - 62 A towards West.

Sector - 62 is characterized by the presence of large public and private sector institutions like Indian Academy of Highway Engineers, The Institute of Chartered Accountants of India, Jaipuria institute of Management, Jaypee Institute of Information Technology, Symbiosis Law School, Bank of India Staff Training College and Indian Institute of Management, Lucknow (Noida Campus). In terms of office space, Sector - 62, Noida constitutes a mix of investment grade and sub-investment grade structures. Further, the office supply is primarily IT/ ITeS in nature. Few of the prominent IT/ITeS developments in the Competitive REIT Micro Market are Candor Techspace N1, Knowledge Boulevard & Green Boulevard, Stellar IT Park, Logix Cyber Park, Embassy Galaxy IT Park, Okaya Blue Silicon etc. Candor Techspace N1 is one of the largest IT / ITeS developments in Sector - 62 in terms of leasable area.

### 3.2 Social and Physical Infrastructure



Source: Cushman and Wakefield Research  
(Map not to scale)

- Key Commercial Developments
- Social Infrastructure
- Lifestyle Infrastructure
- Proposed/Under Construction Office Developments
- Hospitality Developments
- Higher Education Institutions

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Stellar IT Park (1.4 km)	1. Global Business School (3.2 km)	1. Shipra Mall (3.5 km)	1. I Thum Heights (3km)	2. Park Ascent Hotel (1 km)	1. Jaypee Institute of Information & Technology (2.3 km)
2. Logix Cyber Park (1.8 km)	2. KLAY Prep School and Day-care (1.6 km)	2. Modi Mall (5.2 km)	2. Maasters Capitol Avenue (3km)	3. Radisson Noida (2.6 km)	3. JSS Academy of Technical Education (1 km)
4. Embassy Galaxy IT Park (2.6 km)	3. Fortis Hospital (2.0 km)	3. Logix City Center (7.7 km)			
	4. Ashirwad Hospital (1.7 km)				

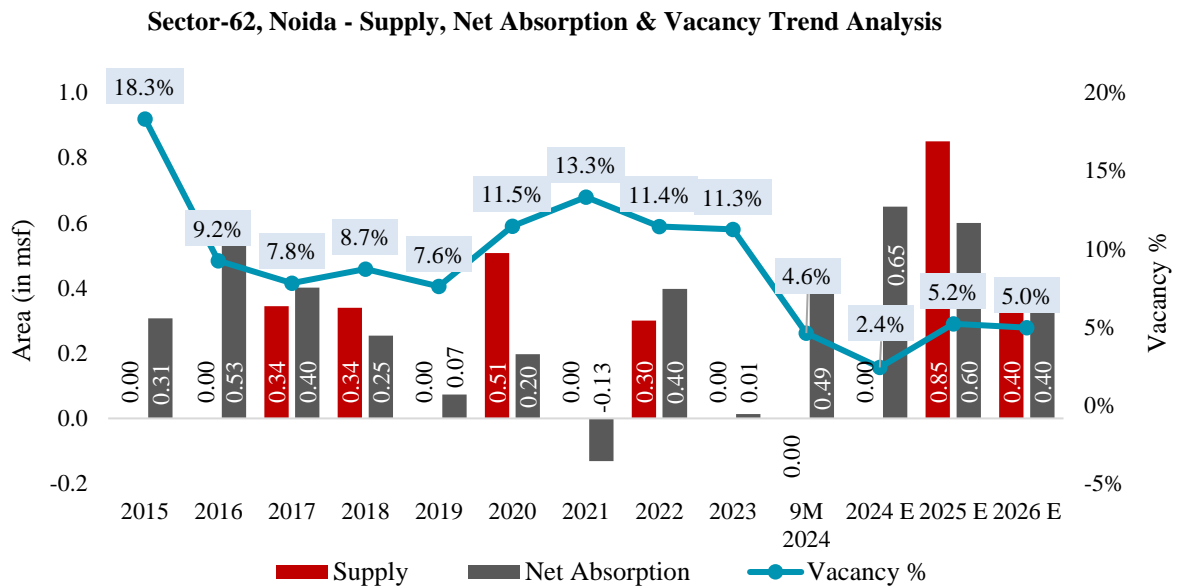
Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
	5. SJM Hospital & IVF Centre (5.4 km)				
	6. Day Cares (1.5 km)				

National Highway - 9 (Erstwhile NH - 24) is the primary road connecting Competitive REIT Micro Market to rest of Delhi NCR. Widening of NH - 9 (which is under construction) and development of signal free elevated corridor from Nizamuddin in Delhi up till UP border on NH 9 (currently operational) has significantly enhanced the connectivity of Sector - 62 with rest of NCR. The Competitive REIT Micro Market is also connected through blue line of Delhi Metro Rail. The nearest metro station is Sector – 62 metro station, which is at a distance of approximately 2 km from the Subject Property. Further, Sector - 62 enjoys a signal free connectivity from Sector 18 Noida (through underpass at Sector 18 which joins to a 4.8 km elevated corridor from Sector 28 up till Sector 61). This has significantly improved traffic and vehicular movement for commute to Sector - 62.

Additionally, the 750-meter-long underpass in Sector 71 further brings traffic relief to those travelling from Noida Extension towards Noida City Centre and going further towards Delhi.

### 3.3 Supply, Absorption and Vacancy analysis

The supply, absorption vacancy trend analysis for Sector - 62, Noida are as follows:



Source: Cushman and Wakefield Research

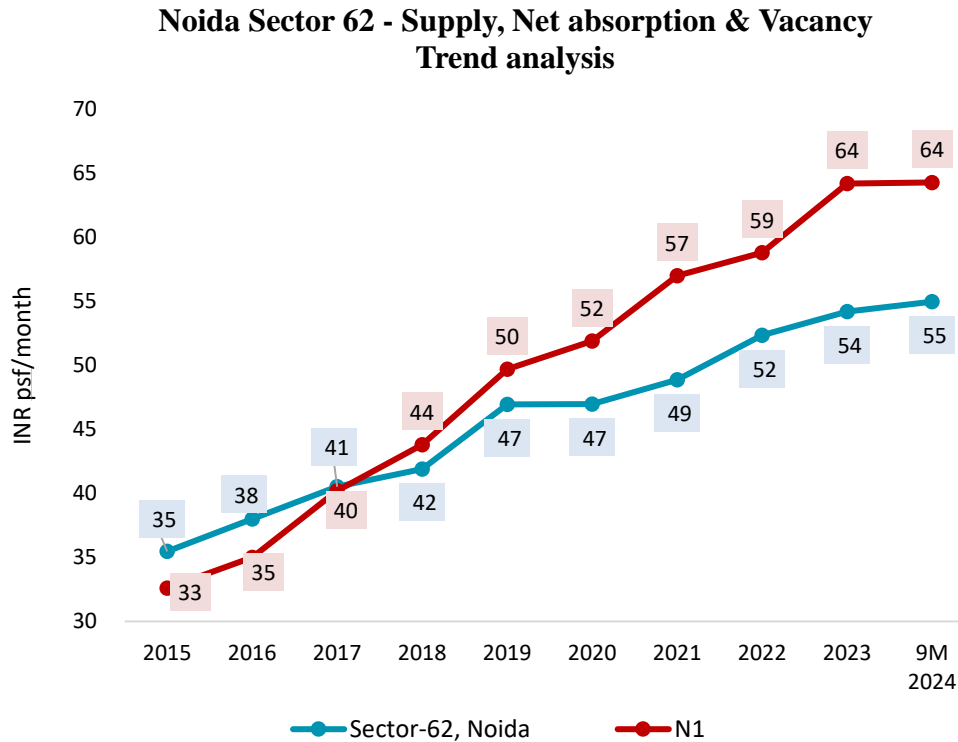
Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The demand in Sector - 62 is dominated by technology occupiers and therefore, large space take-ups constituting space consolidation / expansion is a norm for the micro market. Thus, a single tenant activity at any time period creates substantial impact in this micro market's parameters. As Noida continues to attract the technology sector, the Competitive REIT Micro Market is expected to have consistent net absorption levels for the next 2-3 years.

### 3.4 Rental Trend Analysis

The rental trend analysis for Sector - 62, Noida and the Subject Property is as follows:



Source: Cushman and Wakefield Research

Notes:

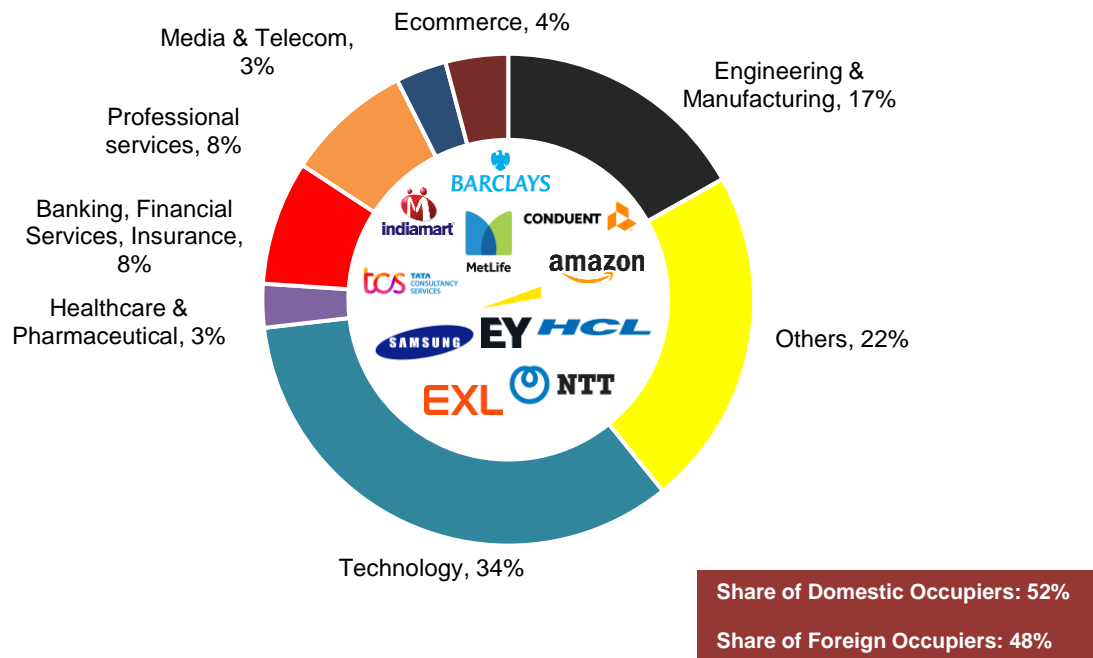
1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals for Candor Techspace N1 have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Rentals presented above are weighted average values on completed stock.

The graph above represents the rental growth rate of N1 versus entire cluster. The analysis suggests that N1 has witnessed a rental growth of 8.1%, as compared to a growth of 5.1% in the Competitive REIT Micro Market over the same period. The difference in rental growth also illustrates occupiers' willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.



### 3.5 Sectoral Demand Analysis (CY 2015 – 9M CY 2024)

#### Key Industries present in Sector 62, Noida (2015 - 9M CY 2024 ~ 7.22 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. The lease transactions of less than 10,000 sq. ft. were not considered for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of Noida, Sector - 62 relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Sector 62 is dominated by Technology sector which contributed 34% to the leasing activity for the period 2015 – 9M CY 2024. The tenants are attracted to the Competitive REIT Micro Market due to availability of larger floor plates, affordable rentals and good connectivity. The technology occupiers in this micro market are involved in the activities of software development, research and development etc. The other prime contributors to the demand are Engineering & Manufacturing (17%), Professional Services (8%), BFSI (8%) and E-Commerce (4%) together contributing 37%. The mix of foreign and domestic occupants in Sector - 62, Noida is 48:52.



#### **4 Market Outlook**

Sector - 62, Noida comprises some of the well-established office developments i.e., Subject Property, Stellar IT Park, Embassy Galaxy IT Park, Okaya Blue Silicon etc.

From CY 2016 to CY 2019, the competitive REIT micro market experienced vacancy levels ranging between approximately 7% and 9%. Since CY 2021, vacancy rates have been on a downward trend due to limited new supply. As on 9M CY 2024, the vacancy of the Competitive REIT Micro Market is ~4.6% with 0.49 msf of net absorption.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 55 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. However, recent transactions at Subject Property have happened at INR 64 per sq ft./m , the difference in achievable rent illustrates occupiers' willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.

Considering the well-maintained infrastructure, location advantage, improved connectivity (through sector 71 underpass and expansion of Delhi Metro Corridor) and the annual growth rate of 5% in market rentals over medium to long term appears achievable for the Subject Property.

Also, the Competitive REIT Micro Market constitutes large IT Parks which fits well with the requirement of technology sector (largest contributor to demand of Noida). We expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centres by several IT/ITeS corporates and GCCs will drive significant demand in the office real estate sector and in turn the Competitive REIT Micro Market.



## **C      SUBJECT PROPERTY REPORT**

## **1 Address, Ownership and Title details of Subject Property**

Address:	Plot no. B2, Sector - 62, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201301, India
Ownership and Title details:	Land tenure: Leasehold; and buildings thereupon are owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT

*Source: Client Information*

The tenure of the underlying land of the Subject Property is leasehold with lessee being New Okhla Industrial Development Authority (NOIDA Authority). The remaining tenure of the land is ~74 years. Given that the purpose and obligations associated with lease of the underlying land has essentially been achieved, the likelihood of lease getting cancelled or not renewed at the end of the tenure is negligible. Thus, no specific adjustments are required to be made towards the legal tenure of underlying land's ownership.

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report - Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Ind-Legal (Hereinafter referred to as 'Legal Counsels'). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

## **2 Location**

### **2.1 General**

The Subject Property is located in Block B, Industrial Area, Sector - 62, Noida. As per Noida master plan 2031, Sector-62 is zoned as an institutional sector. The Subject Property is accessible via 30-meter-wide sector road towards West, which connects to NH - 9 (erstwhile NH - 24) on North and a 45-meter-wide internal road towards East. NH - 9 is the main connecting road, connecting Noida to other cities of NCR. Widening of NH - 9 (which is converted to a 16-lane expressway providing dedicated 8 lanes on the main carriage way and additional 8 lanes for transit traffic to the city nodes) and development of signal free elevated corridor from Nizamuddin in Delhi up till UP border on NH - 9 (currently operational) has significantly enhanced the connectivity of Competitive REIT Micro Market with the rest of NCR.

Sector - 62 is located in the northern part of Noida and abuts NH - 24. The surrounding sectors of the Brookfield India REIT micro markets are 57, 58, 59 and 60 towards South and sector 63 and 64 towards East. Further, it shares its boundaries with Village Khora and Sector - 62 A towards West. Also, the Subject Property enjoys good connectivity from Sector 18 Noida (the city centre of Noida) through underpass at Sector 18, which joins to a 4.8 km elevated corridor from Sector 28 up till Sector 61.

The Subject Property lies in close proximity to Sector - 62 Metro Station, which further enhances its accessibility from different parts of NCR.

The Subject Property is also located in proximity to established residential vectors such as Vaishali, Indirapuram etc which offer a wide range of affordable to high end housing options.

The site location map of the Subject Property is as follows:



*Source: Cushman and Wakefield Research  
(Map not to scale)*

**Site Boundaries:**

The site boundaries for the Subject Property are as under:

- North: IIM Lucknow Noida Campus
- East: Access Road & Developed Commercial Formats
- West: Access Road & Village Khora
- South: Commercial Office Space

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 01 km from NH 24
- Approximately 03 km from Noida Sector - 62 metro station.
- Approximately 07 km from Sector 18, Noida (Noida CBD)
- Approximately 10 km from DND Expressway
- Approximately 16 km from Connaught Place (Delhi CBD)
- Approximately 16 km from New Delhi Railway Station
- Approximately 32 km from Indira Gandhi International Airport

## **2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds / cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### 3 Subject Property - Asset Description

The Subject Property constitutes 9 buildings and can be segregated under two components viz. completed and future development buildings. The listing of buildings under each component is as follows:

- **Completed buildings with Occupancy Certificate (OC) received** - Block 1, 2, 3, 5, 6, 7 (Amenity Block I and II) and Block 8 (Amenity Block III)
- **Future development buildings** - Block 4A and 4B.

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Status	Expected Completion Date
Block 1	2,84,498	Completed	NA
Block 2	3,97,663	Completed	NA
Block 3	3,44,769	Completed	NA
Block 5	5,07,254	Completed	NA
Block 6	3,39,729	Completed	NA
Block 7 (Amenity Block I)	25,822	Completed	NA
Block 7 (Amenity Block II)	13,358	Completed	NA
Block 8 (Amenity Block III)	80,320	Completed	NA
Block 4A	4,40,052	Future Development	Q1 FY 2029-30
Block 4B	4,18,411	Future Development	Q4 FY 2027-28
<b>Total</b>	<b>2,851,876</b>		

*Source: Architect's Certificate (dated: 30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information*



### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received

Particulars	Details
<b>Entity:</b>	Shantiniketan Properties Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT <sup>1</sup>
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida Sector – 62
<b>Approved and Existing Usage:</b>	IT/ITeS
<b>Land Area (acres):</b>	~19.250
<b>Freehold/Leasehold:</b>	Leasehold Land
<b>Leasable Area<sup>#</sup>:</b>	19,93,413 sq. ft.
<b>Occupied Area:</b>	19,42,663 sq. ft.
<b>Committed Occupancy (%)<sup>*</sup></b>	97.45%
<b>Current Effective Rent (excluding parking)</b>	~INR 57 per sq. ft. per month (Office tenants only)
<b>Current Effective Rent (excluding parking)</b>	~INR 57 per sq. ft. per month (Office, Retail and Telecom tenants)
<b>Number of Tenants</b>	29 (office)**

Source: Architect's Certificate (dated: 30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

<sup>#</sup>The increase in leasable area is due to change in efficiency.

<sup>\*\*</sup> Amazon Includes Amazon Pay (India) Private Limited & Amazon Development Centre (India) Private Limited, Excluding Cowrks India Private Limited.

Note:

Refer company structure set out in Annexure 2

<sup>\*</sup>Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area

**Future Development - Block 4A**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q1 FY 2029-30
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	Noida Sector - 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	4,40,052 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (dated: 30<sup>th</sup> October 2024), and Client Information*

**Future Development - Block 4B**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q4 FY 2027-28
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	Noida Sector – 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	4,18,411 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (dated: 30<sup>th</sup> Of October 2024), and Client Information*

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 7 operational buildings along with two future development areas was physically inspected on 19 <sup>th</sup> March 2024 (Subsequently no site visit has been conducted).
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational buildings</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>Area provisioned for Future development.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open / green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Buildings:</b> <p>The operational buildings in the campus are Block 1, 2, 3, 5, 6, 7 and Block 8 with OC received collectively admeasuring 19,93,413 sq. ft. of leasable area.</p> <p>The operational buildings comprise of:</p> <ol style="list-style-type: none"> <li>Office: Five Blocks i.e., 1, 2, 3, 5 and 6, having total leasable area of 18,73,913 sq. ft. are occupied by multiple tenants. Major tenants in these blocks are Barclays, Amazon, Innovaccer Analytics and Landis.</li> <li> Amenity Blocks: Block 7 includes Amenity Block I &amp; II having total leasable area of 39,180 sq. ft. It constitutes retail area catering to all basic requirements of occupiers viz. F&amp;B (in the form of multi-cuisine food court), 24x7 paramedics, Day Care Centre, bank ATM, salon, convenience store, pharmacy etc. BlueChip is the major tenant in Amenity Block I and Ipsaa &amp; Jubilant in Amenity Block II. <p>Block 8 (Amenity Block - III) is having leasable area of 80,320 sq. ft. It offers a separate F&amp;B hub and shall be open to public along with inhouse occupiers. At the time of inspection, upgradation work in Block 8 was in progress. Some F&amp;B tenants including Malabar Coast, Dhaba, The Beer Café, Mamagoto and Haldiram's .</p> </li> </ol> </li> <li> <b>Future development:</b> <p>The Future Development includes two buildings which are Block 4A and Block 4B, having leasable area of 4,40,052 sq. ft. and 4,18,411 sq. ft. respectively. The same are expected to be completed by Q1- FY 2029-30 and Q4 - FY 2027-28 respectively.</p> </li> </ul>	

#### **Other Amenities**

- The Subject Property has separate lift and lobby areas on each floor of the buildings present in the campus. Also, there is an arrangement of other utilities like LT room, LMRs, BMS, DG sets, pump rooms and solar panels which are available in basement/ lower ground floors and on terrace of the buildings.

#### **Awards & Certifications**

- N1 has been awarded 5- Star rating by the Bureau of Energy Efficiency (BEE) in addition to the group wide ISO 9001, 14001 and OHSAS 18001 Certification, Bureau Veritas Safeguard Label certified, IGBC Platinum-rated, ISO 50001:2018 Energy Management certification, British Safety Council 4-star rated campus.

#### **Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 4,195 (including future developments) parking spaces.

#### **Other Observations**

- The Subject Property has two entry and two exit points which are managed according to the campus traffic circulation plan.
- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- The utility areas also appeared well maintained, visually.
- No instances of any major logging or water accumulation were observed during the inspection.

Source: Architect's Certificate (dated: 30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024

Note:

- The Subject Property inspection did not comprise any structural survey, technical / engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*
- The increase in leasable area is due to change in efficiency.*

### 3.3 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance / upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by Cushman and Wakefield who were appointed by the Client to undertake market research and portfolio analysis of the assets forming part of the Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30<sup>th</sup> of October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants account for ~68% of the leased area and ~66% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Barclays	3,61,222
2	Mindtree	1,52,586
3	ION Trading	1,52,426
4	Amazon*	1,37,708
5	Landis	1,30,871
6	Innovaccer	1,12,121
7	Pine Labs	97,837
8	Xceedance	62,474
9	Pentair	57,541
10	Acidaes Solutions	55,135
<b>Total</b>		<b>13,19,921</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Barclays	17%
2	ION Trading	9%
3	Mindtree	8%
4	Landis	7%
5	Amazon*	7%
6	Innovaccer	6%
7	Pine Labs	5%
8	Xceedance	3%
9	Artech	3%
10	Markit India	3%
<b>Total</b>		<b>66%</b>

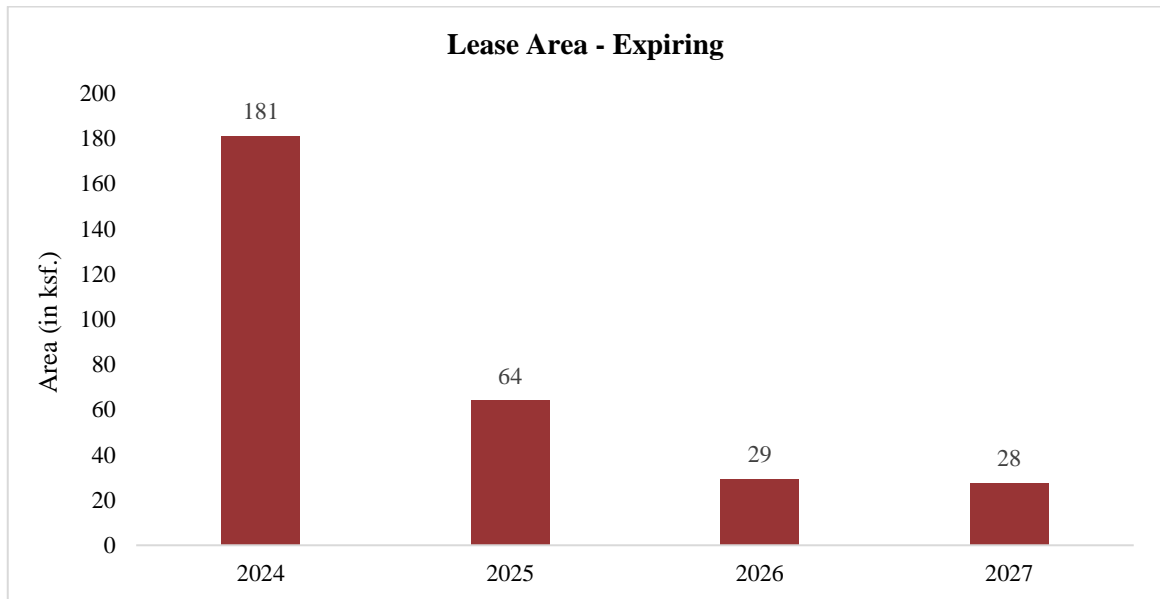
Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

\*Amazon includes area leased to Amazon Development Centre (India) Private Limited and Amazon Pay India Private Limited.



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 8.5 years, with ~16% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here, 2024 represents period starting from 1<sup>st</sup> October 2024 to 31<sup>st</sup> December 2024.

## **4 Valuation Approach and Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details and ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner:

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry / market report prepared by Cushman and Wakefield and readily available information in public domain to ascertain the transaction activity of commercial / IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction / planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The steps given below were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1 and 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year - considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by Cushman and Wakefield, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30 <sup>th</sup> -September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30 <sup>th</sup> September-34

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	19,93,413
Area Leased	sq. ft.	19,42,663
Committed Occupancy*	%	97.45%
Vacant Area	sq. ft.	50,750
Vacancy	%	2.55%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	sq. ft.	915
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases (First Year)	Months	1
Rent Free Period - New Leases	Months	4
Total Parking Slots	#	3,038
Estimated Leasing Period	# of quarters	1

Source: Architect's Certificate (dated: 30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024.

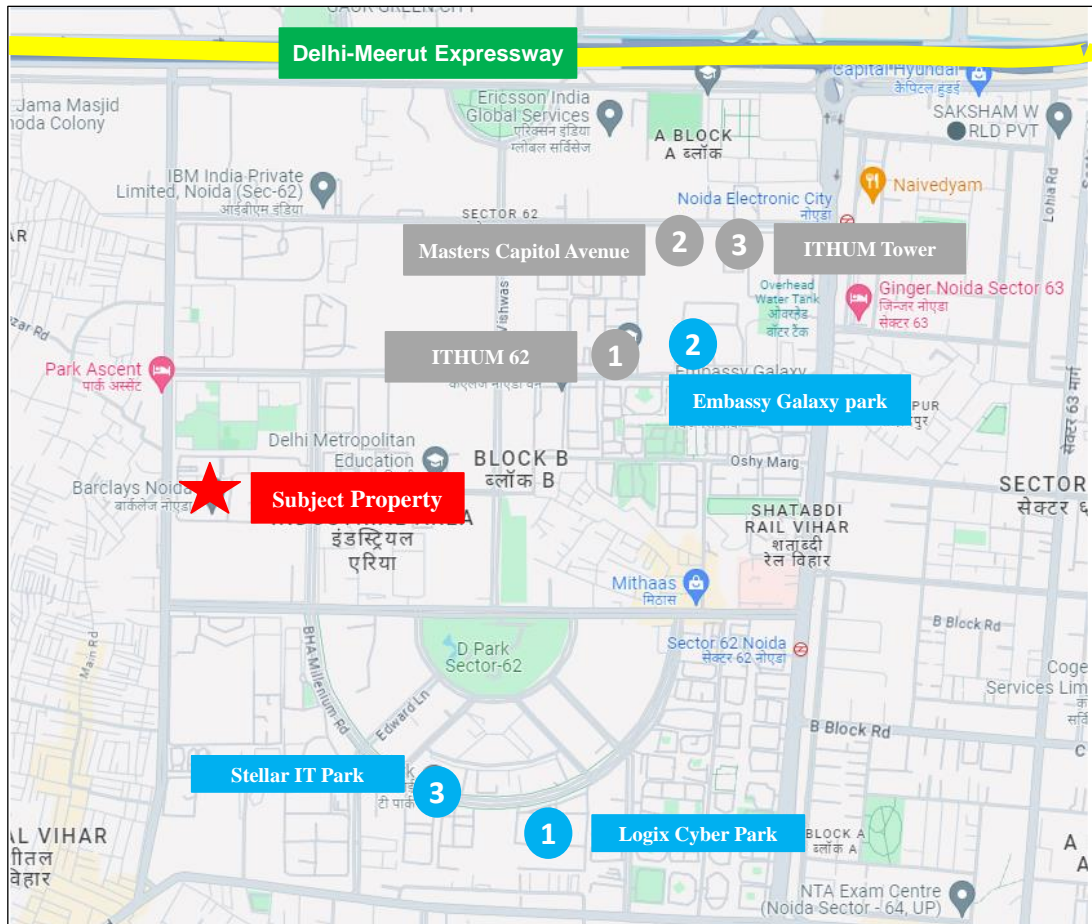
Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable area.

<sup>#</sup>The increase in leasable area is due to change in efficiency.

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2022 – 9M CY 2024, the Sector - 62, Noida micro market has witnessed an average annual net absorption of approximately 0.42 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.45 msf per annum till 2026E.
  - Further leasing area of ~0.001 msf within 1 quarter from January 2025 has been assumed after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.

**Subject Property and Relevant Existing Supply in the Sector - 62 Micro Market**



*Source: Cushman and Wakefield Research  
(Map not to scale)*

*Note: Blue boxes signify existing supply and grey box signify upcoming supply.*

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 63.00
Achievable Market Rent- Retail (Base)	Per sq. ft. per month	INR 83.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 65.00
Achievable Market Rent - Retail (including Parking)	Per sq. ft. per month	INR 85.00
Other Income (on leasable area)	Per sq. ft. per month	INR 0.53
Rental Growth Rate (from FY'26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – FY 26 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin) *	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 7.90

*Note: \*CIOP (Candor India Office Park) provides project management services to the Subject Property of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

#### • Market rent - office:

- Achievable market rent includes parking charges of INR 2 per sq. ft. per month (considering the parking rent of INR 3,000 per slot per month).
- Leases happened between period FY 2023 to FY 2025, approximately 0.41 msf was leased in the rental range of INR 59-72 per sq. ft. per month (including parking). Some of the office leases signed in between FY 2023 to FY 2025 are given below:

#### Lease Transactions between FY' 2023 to FY' 2025

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
Ed-Tech Company	2023	32,242	63
Telecommunication Services	2023	35,715	62
IT Staffing Company	2023	51,324	59
Professional Services	2023	35,715	59
IT Company	2023	11,675	63
IT Company	2023	86,778	60
IT Company	2023	9,492	65
Professional Services	2024	26,368	63
Professional Services	2024	16,633	64
Professional Services	2024	29,498	62
Professional Services	2024	29,180	62
Professional Services	2024	35,273	65
Financial Services	2024	15,000	72

*Source: Rent roll as at 30<sup>th</sup> September 2024 and Client Information*

- Considering the location, accessibility, quality, size of the building, enable the SEZ buildings to command a premium. Hence, it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 65 per sq. ft. per month (including parking charges).



- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5-6% in the medium to long term.

The occupiers have started evaluating their return to office strategy. However, as the same is likely to take some time to translate into demand for office space. Hence, we have considered an annual rental growth of 5.0% during FY'26 onwards.

- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'25 ranges from INR 6 -12 per sq. ft. per month. Further, the total CIOP expense for the period between 1<sup>st</sup> April 2024 - 31<sup>st</sup> March 2025 for the Subject Property is considered to be INR 68 Million and has been escalated at 6.5 % annually for subsequent years. Thus, for the CIOP expense of the period, the tenants are charged INR 3.65 – 8.54 per sq. ft. per month, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 70% where it was more than 70%, when the area gets re-leased on expiry.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 7.06
Land Lease Payment Rent	Per sq. ft./month	INR 0.32
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

*Note: General development expenditure of INR 64 million to be incurred on the Subject Property.*

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Lease Rent Payments:** The Subject Property being the leasehold property involves lease rent payments of INR 7.64 million per annum (as per the information provided by Client). It will be escalated by 50% in FY' 27.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.





## Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value, indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/ low risk interest rates.

In order to arrive at the capitalization rate for the Subject Property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for public listing with better liquidity / marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market players.

\*CPPIB took 51% stake in the property erstwhile held by Prestige estates.



- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios / properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.



### Future Development

Please note that all assumptions mentioned above under the “Completed Property” section hold true for “Future development” buildings. The exceptions, if any, are as elaborated below:

### Subject Property Details

Subject Property Details	Unit	Block 4A	Block 4B
Total Leasable Area	sq. ft.	440,052	418,411
Stabilized Vacancy	%	2.5%	2.5%
Rent Free Period - New Leases	Months	4	4
Total Parking Slots	#	1,157	
Estimated Leasing Period	# of quarters	8	8

Source: Architect's Certificate (dated: 30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024.

### Construction Related Assumptions

Construction Related Assumptions	Unit	Block 4A	Block 4B
Start Date of Construction	Month/Year	Apr-26	Apr-25
End Date of Construction*	Month/Year	Jun-29	Mar-28
Total Construction Cost <sup>3</sup>	INR Million	2,266	2,002

\*Expected date of receiving occupancy certificate

#### Notes:

1. Reliance on Client inputs for the assumptions relating to construction.
2. The assumptions on cost to be incurred for future developments as well as for under construction projects are based on inputs provided from the client while applying independent professional judgement by the valuer.
3. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 63.00
Achievable Market Rent- Retail (Base)	Per sq. ft. per month	INR 83.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 65.00
Achievable Market Rent - Retail (including Parking)	Per sq. ft. per month	INR 85.00
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate - FY 26 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 7.90



**Capitalization Rate and Discount Rate**

With reference to the explanation in completed property section, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year. Owing to the various risks pertaining to the under-construction/ future development properties, we have considered a risk premium of 125bps, to derive the WACC of 13.00% for under-construction / future development properties. This is in line with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Buildings	30 <sup>th</sup> September 2024	INR 23,292 Million	Indian Rupees Twenty - Three Billion Two Hundred and Ninety- Two Million Only
Future Developments	30 <sup>th</sup> September 2024	INR 3,355 Million	Indian Rupees Three - Billion Three-Hundred and Fifty-Five Million Only

### Ready Reckoner Rate

Component	Rate
Carpet area	INR 1,94,250 per sq. meters.
Land area	INR 65,000 per sq. meters.

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by



(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



## Annexure 1: Cash Flows

### Completed Buildings - Block 1, 2, 3, 5,6, 7 and 8

Years		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	1,367.8	1,443.4	1,573.2	1,659.7	1,726.8	1,857.7	1,956.3	1,988.1	2,182.0	2,308.9	2493.4
O&M Markup	INR Million	236.9	258.2	268.4	278.9	290.1	301.1	312.5	325.7	341.8	356.9	372.4
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	13.2	13.9	14.6	15.3	16.1	16.9	17.7	18.6	19.5	20.5	21.6
<b>Total Income</b>	<b>INR Million</b>	<b>1,617.9</b>	<b>1,715.5</b>	<b>1,856.2</b>	<b>1,953.9</b>	<b>2,033.0</b>	<b>2,175.7</b>	<b>2,286.6</b>	<b>2,332.5</b>	<b>2,543.3</b>	<b>2,686.4</b>	<b>2887.4</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,617.9</b>	<b>1,715.5</b>	<b>1,856.2</b>	<b>1,953.9</b>	<b>2,033.0</b>	<b>2,175.7</b>	<b>2,286.6</b>	<b>2,332.5</b>	<b>2,543.3</b>	<b>2,686.4</b>	<b>2887.4</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(0.0)	-	-	-	-	-	-	-	-	-	0.0
Lease Rent Payments	INR Million	(7.8)	(8.8)	(11.7)	(11.7)	(11.7)	(11.7)	(11.7)	(11.7)	(11.7)	(11.8)	-11.8
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(7.9)</b>	<b>(8.8)</b>	<b>(11.7)</b>	<b>(11.7)</b>	<b>(11.7)</b>	<b>(11.7)</b>	<b>(11.7)</b>	<b>(11.7)</b>	<b>(11.7)</b>	<b>(11.8)</b>	<b>-11.8</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,610.1</b>	<b>1,706.7</b>	<b>1,844.5</b>	<b>1,942.3</b>	<b>2,021.3</b>	<b>2,164.0</b>	<b>2,274.9</b>	<b>2,320.7</b>	<b>2,531.5</b>	<b>2,674.6</b>	<b>2875.6</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	35,945.0	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(359.5)	
<b>Total Net Income</b>	<b>INR Million</b>	<b>1,610.1</b>	<b>1,706.7</b>	<b>1,844.5</b>	<b>1,942.3</b>	<b>2,021.3</b>	<b>2,164.0</b>	<b>2,274.9</b>	<b>2,320.7</b>	<b>2,531.5</b>	<b>38,260.2</b>	
Maintainence Capex	INR Million	(27.4)	(28.9)	(31.5)	(33.2)	(34.5)	(37.2)	(39.1)	(39.8)	(43.6)	(46.2)	
Brokerage Expenses	INR Million	(44.6)	(1.6)	(0.0)	(7.0)	(2.4)	-	(3.8)	(35.2)	(30.5)	(42.0)	
Total Construction Costs	INR Million	(64.5)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,473.6</b>	<b>1,676.2</b>	<b>1,813.0</b>	<b>1,902.0</b>	<b>1,984.4</b>	<b>2,126.9</b>	<b>2,232.0</b>	<b>2,245.8</b>	<b>2,457.4</b>	<b>38,172.0</b>	

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.





## Future Development - Block 4A

Years		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	-	10.6	188.6	403.1	448.7	481.8	507.2	516.0
O&M Markup	INR Million	-	-	-	-	9.2	53.9	89.4	94.2	98.4	102.7	107.3
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	19.8	242.4	492.5	542.9	580.2	609.9	623.3
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	19.8	242.4	492.5	542.9	580.2	609.9	623.3
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	(19.1)	(19.4)	(0.5)	-	-	-	-
Lease Rent Payments	INR Million	(1.7)	(2.0)	(2.6)	(2.6)	(2.6)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
<b>Net operating Income</b>	<b>INR Million</b>	(1.7)	(2.0)	(2.6)	(2.6)	(1.9)	220.4	489.3	540.2	577.5	607.3	620.6
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	7,757.4	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(77.6)	-
<b>Total Net Income</b>	<b>INR Million</b>	(1.7)	(2.0)	(2.6)	(2.6)	(1.9)	220.4	489.3	540.2	577.5	8,287.0	
Maintenance Capex	INR Million	-	-	-	-	(0.2)	(3.8)	(8.1)	(9.0)	(9.6)	(10.1)	-
Brokerage Expenses	INR Million	-	-	-	-	(20.2)	(39.4)	(14.0)	-	-	-	-
Total Construction Costs	INR Million	-	(367.4)	(734.9)	(734.9)	(428.7)	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(1.7)	(369.4)	(737.5)	(737.5)	(451.0)	177.2	467.3	531.3	567.9	8,276.9	

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



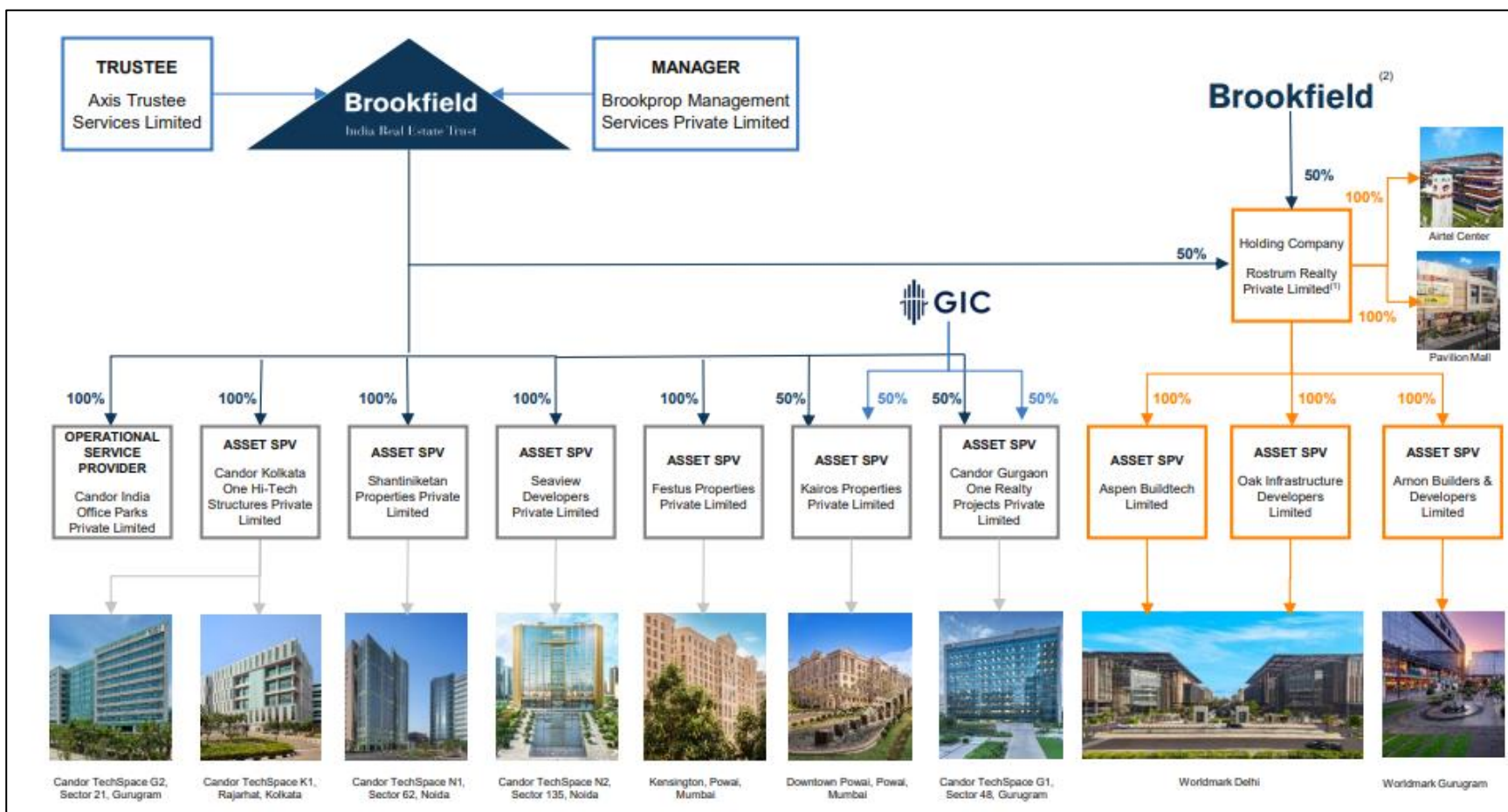
## Future Development- Block 4B

Years		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	9.8	183.9	365.2	416.5	448.6	468.9	479.0	515.9
O&M Markup	INR Million	-	-	-	8.8	52.4	79.8	85.9	89.7	93.7	97.8	102.1
<b>Total Income</b>	<b>INR Million</b>	-	-	-	18.7	236.4	445.0	502.4	538.3	562.6	576.8	618.0
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	18.7	236.4	445.0	502.4	538.3	562.6	576.8	618.0
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	(17.0)	(15.6)	(1.5)	-	-	-	-	-
Lease Rent Payments	INR Million	(1.6)	(1.9)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
<b>Net operating Income</b>	<b>INR Million</b>	(1.6)	(1.9)	(2.5)	(0.8)	218.2	441.0	499.9	535.8	560.0	574.3	615.5
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	7,693.6	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(76.9)	
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	(1.6)	(1.9)	(2.5)	(0.8)	218.2	441.0	499.9	535.8	560.0	8,190.9	
Maintenance CAPEX	INR Million	-	-	-	(0.2)	(3.7)	(7.3)	(8.3)	(9.0)	(9.4)	(9.6)	
Brokerage Expenses	INR Million	-	-	-	(19.7)	(36.8)	(11.8)	-	-	-	-	
<b>Total Construction Costs</b>	<b>INR Million</b>	(333.6)	(667.3)	(667.3)	(333.6)	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	(335.3)	(669.2)	(669.8)	(354.4)	177.7	421.9	491.6	526.8	550.7	8,181.3	

Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



## Annexure 2: Ownership Structure



Source: Client

Note:

By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from 4 May 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020





**Annexure 4: Subject Property's Photographs**



View of Block 3



View of Block 2



View of Block 1



View of Block 6



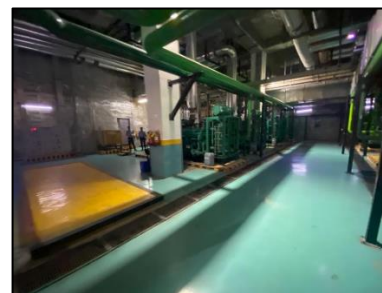
View of Amenity Block (Block 7)



View of Amenity Block (Block 8)



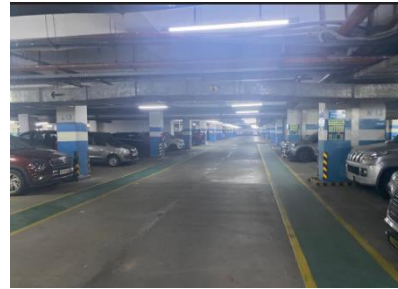
View of LT Panel Room



View of DG Room



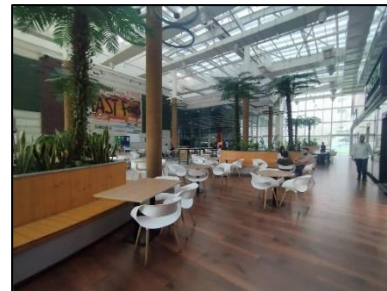
View of Block 4A & 4B (Future Development)



View of Parking



View of Food Court



View of Food Court



View of Access Road

## Annexure 5: Statement of Key assets

Building	No/Name	Phase -1 (Tower -1,2,3)				Phase -2 (Tower -6)			
No of DG Capacity	KVA	5 X 1500 KVA				4 x 1500 KVA			
No of Transformer/Capacity	KVA	4 X 2000 KVA & 3 X 8000 KVA				4 X 2000 KVA			
Chiller Rating	Tr	4 X 750 TR & 1 X 400 TR				2 X 850TR			
Cooling Tower	Tr	HVAC: 850TR X 4		DG: 150TR X 4		HVAC: 1000TR X 2		DG: 150TR X 4	
FF System (Pumps & Engine)	KW/HP	Jockey: 2 X 10.5 HP X 125 HP Curtain Pump: 1 X 40 HP Engine: 1 X 127 HP				Sprinkler: 1 Hydrant: 1 X 127 HP Fire Curtain Pump: 1 X 75 HP Fire Engine: 1 X 122 HP, 1 X 72 HP			
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic Pumps: 6 X 7.8 KW		Flushing Pump: 2 X 30 KW		Domestic Pumps: 1 X 5.5 KW, 1 X 7.8 KW Flushing Pump: 2 X 15 KW			
STP Rating	KLD	700 KLD							
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell

Source: Client

## **Annexure 6: List of sanctions and approvals**

List of one-time sanctions / approvals which are obtained or pending:

### **Approvals Received**

- a) Building Plan Approvals for all existing/ under construction buildings and amendments thereof
- b) Full Occupancy Certificates received for all the operational buildings
- c) Sewerage Approvals for all buildings and the common campus area
- d) Consent to Establish (CTE)
- e) Environment Clearance Certificate
- f) One-time Fire NOC
- g) Height clearance NOC from AAI
- h) BOCW Registration
- i) Forest Clarification
- j) Approval of Service Plan Estimates
- k) Consent to Operate (CTO)
- l) EC (revalidation)

### **Approvals Pending**

Approvals for Future Development Area



**Annexure 7: Ready Reckoner Rate for Built Up area and Land area**

**Ready Reckoner Rate**

प्रारूप-1 में आयोदित किया गया की-कोड	सैक्टर का क्रमांक	समस्त श्रेणी की अव्यक्त भूमि जिनका भू प्रयोजन प्राधिकरण द्वारा सुनिश्चित है की दरें प्रति वर्गमीटर रुपये में									फल से भिन्न (कमाल दर-दर) वाणिज्यिक वर्गमीटर की निर्धारित दर कार्पेटेड एरिया प्रति वर्गमीटर में					
		A			B			C			प्राधिकरण से आवंटित वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्पोरेशन व गोदाम की दर कार्पेटेड एरिया प्रति वर्गमीटर निर्धारित दर			प्राधिकरण से आवंटित वैन वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्पोरेशन व गोदाम की दर कार्पेटेड एरिया प्रति वर्गमीटर निर्धारित दर		
		भूखण्ड आवासीय प्रयोजन			भूखण्ड वाणिज्यिक प्रयोजन			भूखण्ड औद्योगिक प्रयोजन			प्राधिकरण से आवंटित वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्पोरेशन व गोदाम की दर कार्पेटेड एरिया प्रति वर्गमीटर निर्धारित दर			प्राधिकरण से आवंटित वैन वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्पोरेशन व गोदाम की दर कार्पेटेड एरिया प्रति वर्गमीटर निर्धारित दर		
		i	ii	iii	i	ii	iii	i	ii	iii	दुकान	कार्पोरेशन	गोदाम व अन्य	दुकान	कार्पोरेशन	गोदाम व अन्य
		12 मीटर से अधिक किन्तु 18 मीटर तक चौड़ी सड़क पर	18 मीटर से अधिक किन्तु 24 मीटर तक चौड़ी सड़क पर	24 मीटर से अधिक चौड़ी सड़क पर	100 वर्ग मीटर तक	100 वर्ग मीटर से अधिक 1000 वर्ग मीटर तक	1000 वर्ग मीटर से अधिक 10000 वर्ग मीटर तक	4000 वर्ग मीटर तक से भूखण्ड के लिए	4000 वर्ग मीटर से अधिक 20000 वर्ग मीटर तक	20000 वर्ग मीटर से अधिक	दुकान	कार्पोरेशन	गोदाम व अन्य	दुकान	कार्पोरेशन	गोदाम व अन्य
0058	53	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0059	54	46200	48400	50600	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0060	55	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0061	56	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0062	57	48200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0063	58	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0064	59	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0065	60	48200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0066	61	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0067	62	75600	79200	82800	315000	259000	166000	-	-	-	281200	219200	213300	199500	194250	189000
0068	63	46200	48400	50600	315000	259000	166000	20000	19000	17000	296500	231100	225100	210000	204750	199500
0069	63 A	46200	48400	50600	240000	196000	148000	20000	19000	17000	222000	171800	165900	157500	152250	147000
0070	64	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0071	65	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0072	66	42000	44000	46000	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0073	67	48200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000

सहायक महानिरीक्षक निर्बंधन (प्रथम)  
गौतमबुद्धनगर।

अपर जिलाधिकारी (वित्त एवं राजस्व)  
गौतमबुद्धनगर।

जिलाधिकारी  
गौतमबुद्धनगर।

सोफ्टवेयर में डाटाबेड किया गया सी-कोड	सैक्टर का क्रमांक	वार्ड का नाम, उस निम्नलिखित कार्यालयों के क्षेत्राधिकार प्रथम द्वितीय व तृतीय के अनुसार	पूरायत जबाबीद प्रयोग, 12 मीटर तक चौड़ी रास्ता पर (ऐरिया बेल्यू)	जामिनिक प्रयोग, 10000 वर्ग मीटर से अधिक की भूखण्ड को लिए	लोजीक प्रयोग 80000 वर्ग मीटर से अधिक की भूखण्ड के लिए	ग्रुप हाउसिंग भूखण्ड हेतु निर्धारित दर	प्रतिफल प्राप्त सत्यापन प्रयोग हेतु आवंटित फ़ंड्स की दो समताव वाली के प्रत्यक्ष से उत्तरदायी	समत लंबाई से उत्तरदायी उत्तरदायी/एकराश्री/आदिगा मिलन आदिवासी महिला स्वामी/अर्द्धजाती/स्वामीजीवरण/परिवारेक वर्ग हेतु भूखण्ड	कार्यलय उपयोग का मुद्राध	हाउसरी/टर्मिनेशन रेंटल/पीस्ट आदिवासी/विद्युत सब स्टेशन, मोटरका द्वारा अंकिता सुविधा भूमि पर करने तावसे	अर्द्धजाती/हिंदवी यात्री/सभी एच एस किलन सेवा
0057	52	तृतीय	103500	159000	-	-	-	155000	-	-	
0058	53	प्रथम	72000	143000	-	-	-	107500	-	-	
0059	54	द्वितीय	44000	143000	-	-	-	107500	-	-	
0060	55	तृतीय	72000	143000	-	-	-	107500	-	-	
0061	56	प्रथम	72000	143000	-	-	-	107500	-	-	
0062	57	द्वितीय	44000	143000	16500	-	22000	107500	10000	20000	
0063	58	तृतीय	44000	143000	16500	-	22000	107500	10000	20000	
0064	59	प्रथम	44000	143000	16500	-	22000	107500	10000	20000	
0065	60	द्वितीय	44000	143000	16500	-	22000	107500	10000	20000	
0066	61	तृतीय	72000	143000	-	-	94000	107500	-	-	
0067	62	प्रथम	72000	159000	-	-	65000	107500	10000	50000	
0068	63	द्वितीय	44000	159000	16500	-	22000	107500	10000	20000	
0069	63A	द्वितीय	44000	121000	16500	-	-	65000	-	-	
0070	64	तृतीय	44000	143000	16500	-	22000	107500	10000	20000	
0071	65	प्रथम	44000	143000	16500	-	22000	107500	10000	20000	
0072	66	द्वितीय	40000	143000	-	-	-	60000	-	-	
0073	67	तृतीय	44000	143000	16500	-	22000	78500	10000	20000	
0074	68	प्रथम	44000	143000	16500	-	22000	78500	10000	20000	
0075	69	द्वितीय	44000	121000	-	-	-	78500	-	-	
0076	70	तृतीय	52500	143000	-	84500	-	78500	-	-	
0077	71	प्रथम	52500	143000	-	-	-	78500	-	-	
0078	72	द्वितीय	52500	143000	-	-	-	78500	-	-	

साहायक महानिरीक्षक निबंधन (प्रथम)  
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जिलाधिकाारी  
गौतमबुद्धनगर।



### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by client, following major repairs / upgrades have been taken up in the past:

- Installation of a 66 KV sub-station in the office park, which we believe has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for client's tenants;
- Undertaken renovations at the office park such as refurbishing the food court, landscaping and lobby improvements to enhance the overall experience;
- Resolved traffic congestion issues by streamlining the entry and exit from the campus and using RFID parking system; The Brookfield Group also worked with government agencies to manage the traffic outside the campus and maintain the road outside the campus; and
- Installed rooftop solar panels and additional rainwater harvesting pits to reduce its carbon footprint.

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on independent market report prepared by Cushman and Wakefield and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the forecasts on demand, supply and pricing as undertaken by Cushman and Wakefield as part of an independent market/ industry research and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on the independent market report prepared by Cushman and Wakefield and her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated, and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.



4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum not exceeding the total fees paid for each instruction accepted. Unless specifically mentioned otherwise in the main report. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



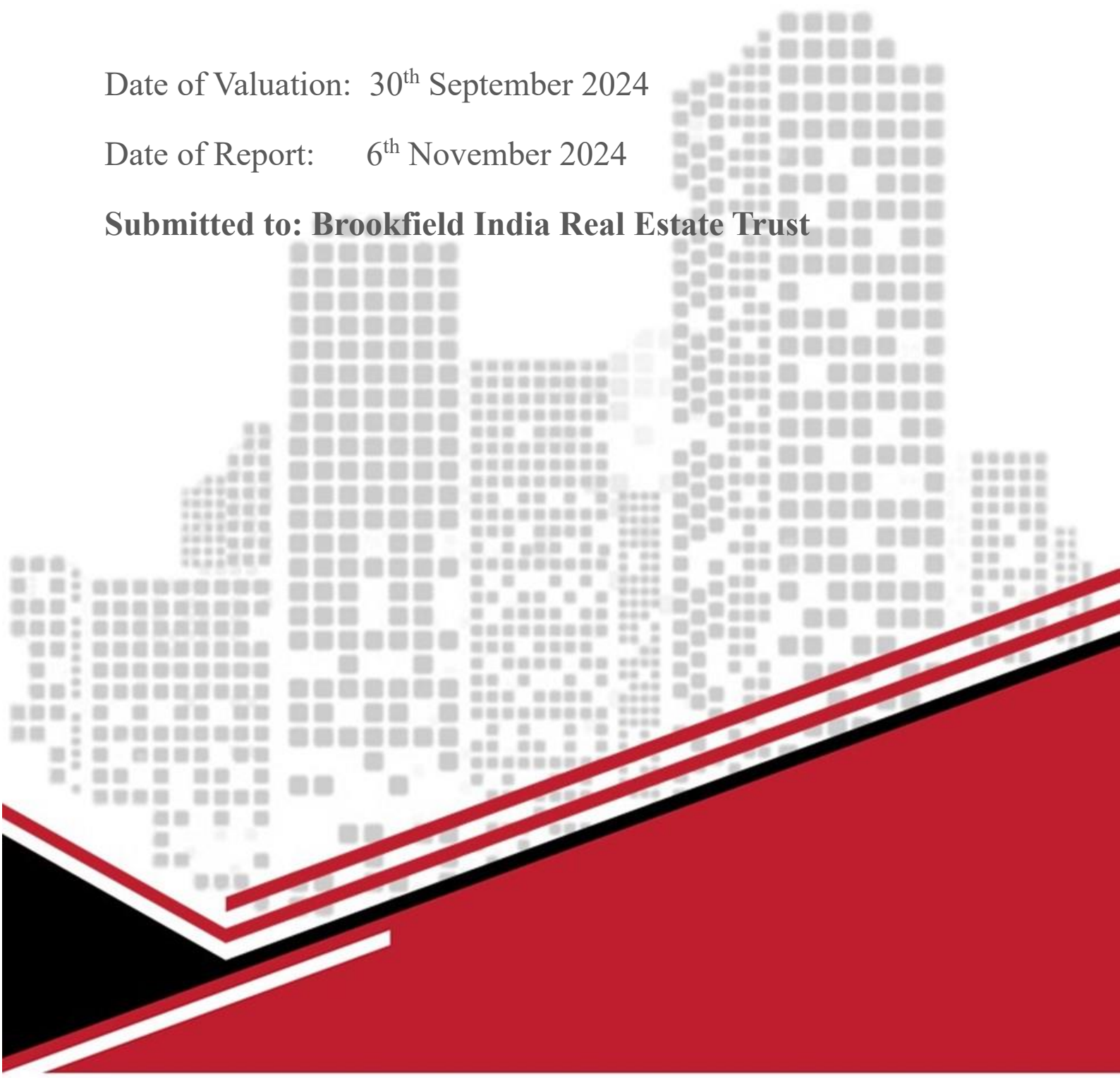
# VALUATION REPORT

## Candor TechSpace N2, Sector – 135, Noida, NCR

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**







## **Disclaimer**





*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> of August 2024 to Letter of Engagement ("LOE") dated 23<sup>rd</sup> December 2022 & amended through letter dated 22<sup>nd</sup> September 2023, without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23<sup>rd</sup> December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

<b>Candor TechSpace IT/ITeS SEZ (N2), Sector – 135, Noida</b>		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	
<b>Site Visit Date:</b>	19 <sup>th</sup> March 2024 (Subsequently no site visit has been conducted).	
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion	
<b>Valuation Purpose:</b>	Disclosure of valuation of assets forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014	
<b>Location / Situation:</b>	<p>Candor TechSpace N2 (herein after referred to as N2 and/ or Subject Property) is located on Plot No. 20, 21, Noida – Greater Noida Expressway, Sector-135, Noida, Uttar Pradesh, one of the established IT/ITeS office destinations of Noida.</p> <p>The Subject Property is a three-side open plot which is accessible via a 45-meter-wide sector road off Noida-Greater Noida Expressway on North as well as East and 30-meter-wide road on the West.</p> <p>N2 is well connected with other parts of the city through road and metro rail network. The Subject Property lies in close proximity to various office assets such as Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Embassy Oxygen, and Express Trade Towers 2.</p>	 <p>External View of Subject Property</p>  <p>External View of Subject Property</p>
<b>Description:</b>	<p>N2 constitutes 15 buildings and can be segregated under Completed/ Operational (with OC received) and future development buildings. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, Buildings (14) 11A, Amenity Block – 1 (Ground Floor) and Amenity Block – 2</li> <li>Future development (1) : Tower 12 and Amenity Block – 1 (First Floor) ^</li> </ul> <p>The Completed buildings collectively admeasure 38,24,545 sq. ft.<sup>#</sup> of leasable area. Currently the committed occupancy in the Completed building is 80.88%*. The Subject Property is an IT/ITeS SEZ development. As per the information provided by the Client 3,44,723 sq. ft. of leasable area is under process of getting converted into Non SEZ area.</p> <p>Future Developments include Tower 12 admeasuring 7,60,000 sq. ft. of leasable area and Amenity Block – 1 (first floor) having leasable area of 10,873 sq. ft. and are currently planned for future and are expected to be ready by Q2 FY 2028–29 and Q3 FY 2025–26 respectively. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. No approvals have been obtained as on the date of valuation.</p> <p>The Subject Property offers interactive spaces and other amenities including cafeteria, creche, convenience store, gymnasium, medical wellness centre, electrical vehicle charging station etc.</p>	 <p>Internal View of Subject Property</p>  <p>Amenity Block 2 of Subject Property</p>
<b>Total Area:</b>	<p>Total Land Area: 29.653 Acres</p> <p>Completed Leasable Area: 38,24,545 sq. ft. <sup>#</sup></p> <p>Future Development Leasable Area: 7,70,873 sq. ft.</p> <p>Total Leasable Area: 45,95,418 sq. ft.</p>	



Source: Architect's Certificate (30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area

^The first floor of Amenity Block-1 is considered as future development and has not been counted as an additional tower for the purposes of computing the no. of buildings in the future development component.

#The increase in leasable area is due to change in efficiency.

#### **MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	30 <sup>th</sup> September 2024	INR 42,020 Million	Indian Rupees Forty-Two Billion and Twenty Million only
Future Development	30 <sup>th</sup> September 2024	INR 2,649 Million	Indian Rupees Two Billion Six Hundred and Forty-Nine Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed, or considered in isolation from the full report.



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Property:** Candor TechSpace N2, Sector – 135, Noida

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Noida (hereinafter referred to as “Subject Property” and/or “Candor TechSpace N2”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The Subject property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha Vijay is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation, and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013 – 2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouseCoopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. L. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. L. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT micro markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the subject properties/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

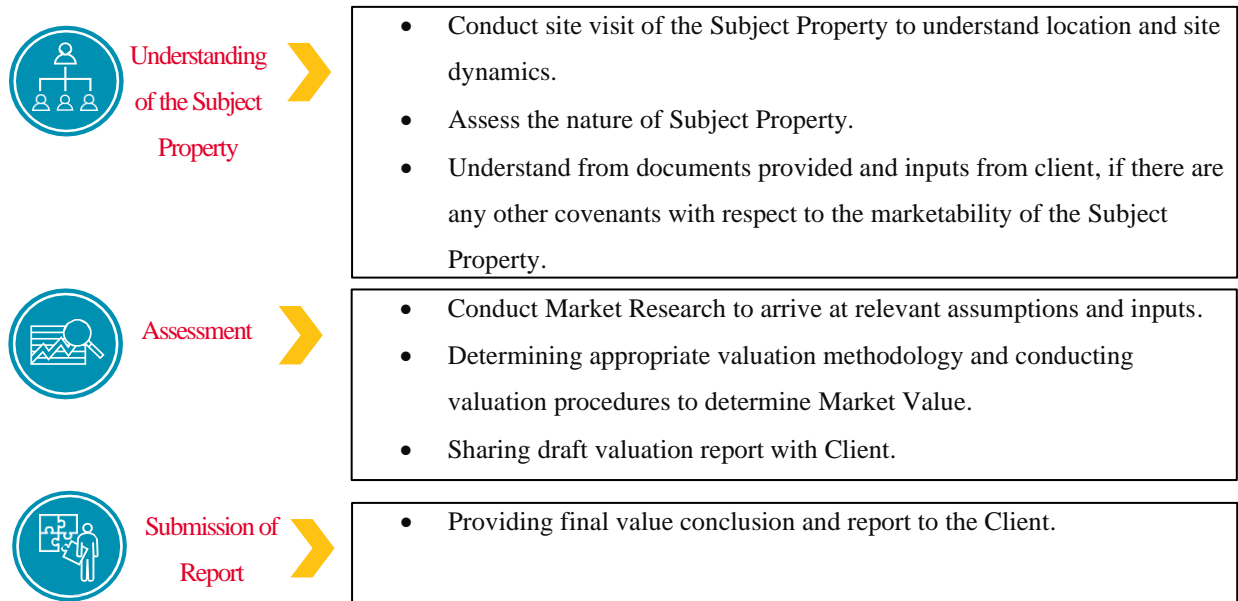
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as *‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’*

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same has been derived by the following approach:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants, typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/ above market leases on the valuation of the Subject Property.

*For the purpose of valuation of the Subject Property, Income Approach – Discounted Cash Flow Method using Rental Reversion has been adopted.*

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.



## **8 Inspection**

The Subject Property was inspected on 19<sup>th</sup> March 2024 by the Valuer (Subsequently no site visit has been conducted). No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by her due to such usage other than for the purpose as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in her favor, reasonably satisfactory to her for any use of the Report other than



for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement to **Brookprop Management Services Private Limited (“Manager”)**, the **Brookfield India REIT (“Brookfield REIT”)** and auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), credit rating agencies and Axis Trustee Services Limited, the trustee to the **Brookfield REIT (Trustee”)** for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers. The Valuer, however, would extend no liability to such reliant parties.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation (“Reliant Party”) and for the Purpose specifically stated. The Instructing Party shall make all reliant parties aware of the terms and conditions of the agreement under which this exercise is being undertaken and take due acknowledgements to the same effect.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

## 14 Disclosure and Publication

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate





Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

## **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under the LOE including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate the LOE without any liability or obligation on her part.

Such termination of the LOE shall not in any way prejudice the rights and obligations (including payment for the services delivered under the LOE) already accrued to the Valuer, prior to such termination.



## **B National Capital Region Overview**

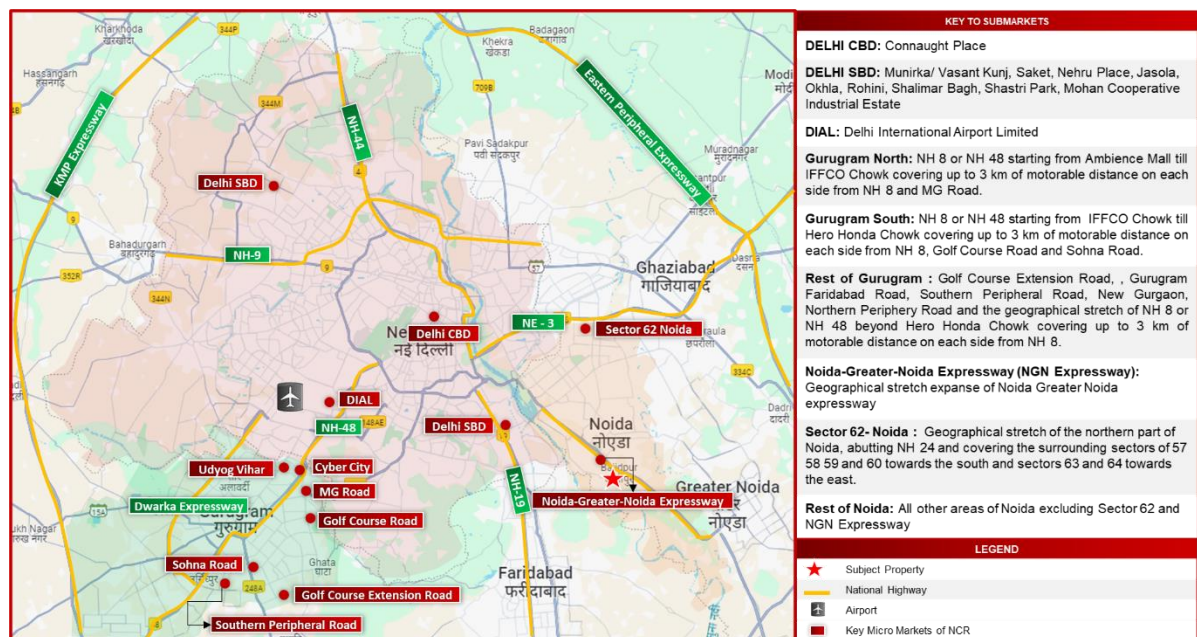
For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (*Source: www.un.org*). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan.

In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



Source: Cushman and Wakefield Research

(Map not to scale)

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD and Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South and Gurugram Others)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida–Greater Noida (NGN) Expressway and Rest of Noida)
4. DIAL

The table below highlights the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL	Gurugram	Noida*	NGN Expressway ^
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33	16.01
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62	11.00
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%	31.3%
<b>Avg. Annual Absorption – CY 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16	0.83
<b>Future Supply – Q4 CY 2024 E – CY 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09	1.84
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55	55

Source: Cushman and Wakefield Research

Notes:

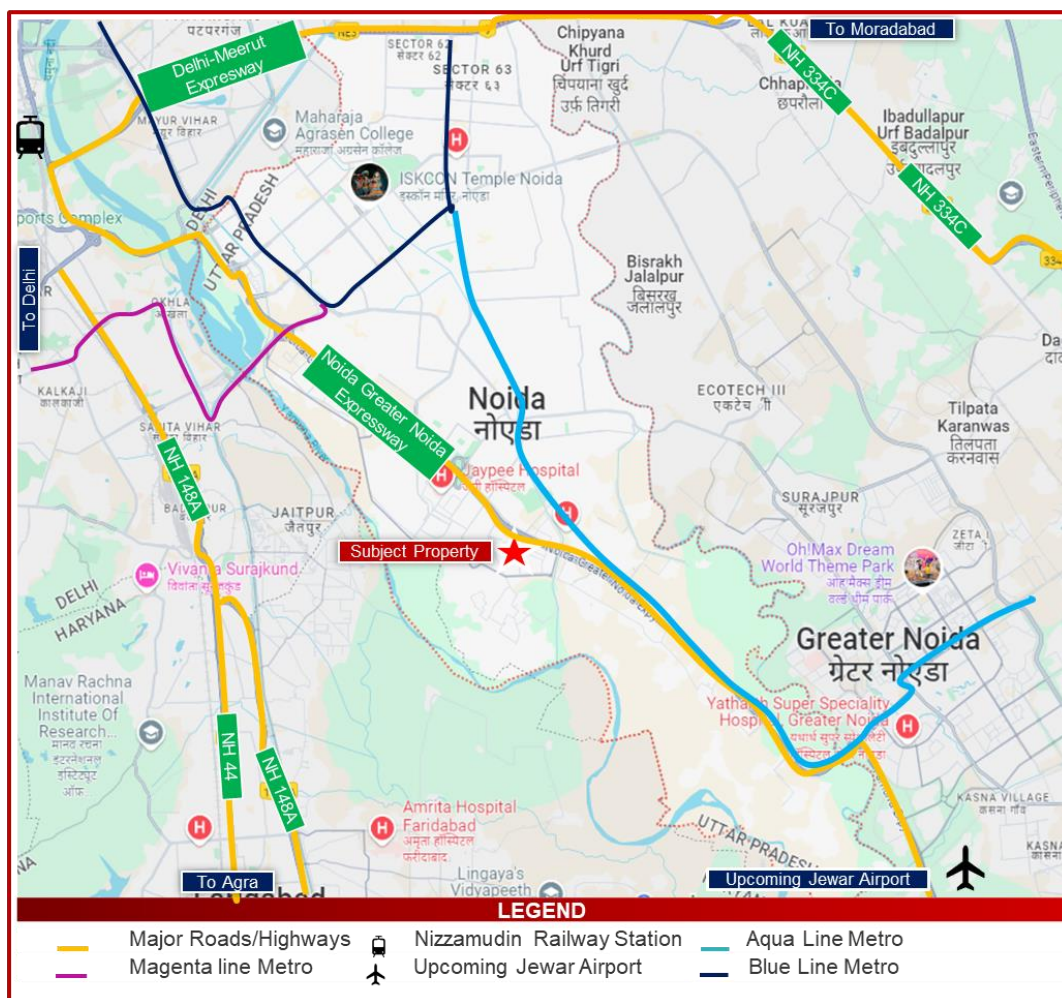
1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT's city market for the Subject Property.
4. ^Competitive REIT's micro market within Brookfield India REIT's city market for Subject Property.
5. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
9. Rentals presented above are weighted average values on completed stock.

## 2 Brookfield India REIT's City Market – Noida

Candor TechSpace N2 is a leasehold, Grade–A asset located in Noida city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

Noida, located in the State of Uttar Pradesh, is an integral part of the NCR. It is a planned city located in Gautam Buddha Nagar district. Further, it is located at about 25 km South-East of Central Delhi and can be accessed from Central Delhi via: Delhi – Noida Direct (DND) Flyway or Toll Bridge; Sarita Vihar or Kalindi Kunj Road; and the Nizamuddin Flyover. It is bound on the West and South–West by the Yamuna River and on the North–East by Ghaziabad.



Source: Cushman and Wakefield Research  
(Map not to scale)

The primary office clusters in Noida are concentrated towards Sector 16, 18, 32 and 57 – 65 and a belt running along Noida Expressway. The office developments in these sectors constitute a mix of investment grade and sub investment grade developments. Noida Expressway primarily constitute investment grade developments. Sector 16, 18, 32 houses commercial developments, however the other two office clusters predominantly offer IT / ITeS developments. To name a few, established players like Brookfield, Embassy Oxygen Tower, Advant etc. have their footprint in Noida. Along with prominent office spaces, Noida Expressway is a hub for





international schools as well. Some well-known schools operational on NGN Expressway are Lotus Valley International School, Gyanshree School, Mayoer School, Pathways International, Amity International etc.

Traditionally, retail cluster in Noida had remained confined to Sector 18 which is also known as the “Atta Market”. The Sector 18 market is also the main high street retail destination of Noida. Gradually, as the development activity in the city progressed a number of malls got developed in Sectors 16, 18 and 32. Few of the prominent retail malls in the city are Great India Place, DLF Mall of India (one of the largest in NCR with leasable area of approximately 2 msf), Centre Stage Mall, Gardens Galleria, Spice Mall, Logix City Centre Mall etc. ~ together, all these retail malls contribute to a significant percentage of organized retail supply of the city.

Residential supply of the city can be divided under established and upcoming sectors. The established sectors of Noida such as 14, 15, 21, 22, 45, 55, 56, etc. constitute plotted developments through government or unorganized players and high-rise developments primarily under cooperative group housing schemes. Central Noida, comprising Sectors 72 – 79, the sectors along the under-construction FNG expressway and sectors in Noida Extension are high density sectors. Hence, most of the projects in these micro markets comprise high-rise group housing projects. These sectors are being developed by organized players/ developers and primarily cater to Middle Income Group. The sectors along Noida – Greater Noida Expressway have residential projects along both sides. Residential developments in this micro market comprise both plotted developments and high-rise group housing projects. These sectors are being developed by organized players/ developers and cater to all segments viz. Middle-Income Group, Upper Middle-Income Group and High-Income Group.

With approx. 25,000 students graduating every year, Noida has ample talent pool to cater the office occupants present in the city. Amity University, Jaypee Institute of Information & Technology and Sharda University are few of the renowned educational campuses present in Noida.

Noida has been divided into three micro markets:

- Sector 62, Noida – refers to the Northern part of Noida, abutting NH – 24 and covering the surrounding sectors of 57, 58, 59 and 60 towards South and Sectors 63 and 64 towards East.
- Noida–Greater Noida (NGN) Expressway – refers to the geographical expanse of NGN expressway.
- Rest of Noida – refers to office clusters in Sectors 16 – 18, sectors 32 – 34 and Greater Noida West.

The key drivers of demand for office space in Noida are as follows:

- **Connectivity and linkages:** Noida is well connected to other nodes of NCR via. Robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work. Noida is the only city in NCR where the physical infrastructure was planned ahead of real estate development. Hence, the city enjoys superior physical infrastructure and planned architectural layout.
- **Lower occupation cost:** Noida has availability of residential and office spaces with rentals and capital values significantly lower than Gurugram and Delhi. Hence, the city stands out as it offers quality living at much lower occupation cost.



- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** Noida is accessible through multiple modes of transportation and offers residential spaces across various price categories; it attracts talent pool from all adjoining locations.

## 2.2 Key Statistics – Noida

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 24.33 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 18.62 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 23.5%
<b>Avg. Annual Net Absorption (2015 – 9M CY 2024)</b>	Approximately 1.16 msf
<b>Future Supply (Q4 CY 2024 E – 2026 E)</b>	Q4 2024E: Approximately NIL 2025E: Approximately 1.13 msf 2026E: Approximately 1.96 msf

Source: Cushman and Wakefield Research

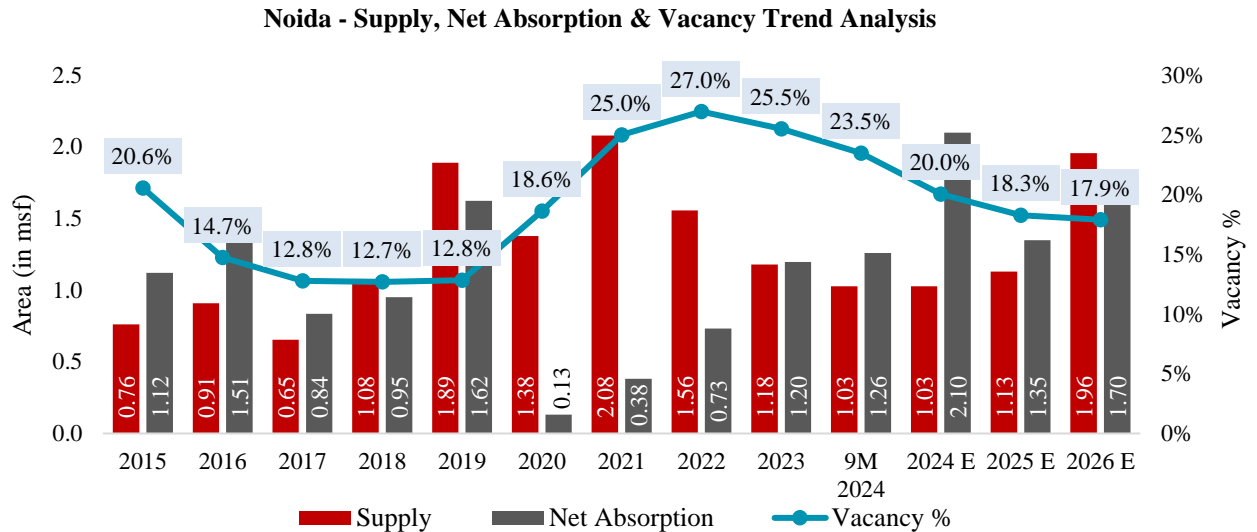
Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area, excluding non-IT buildings and applying certain other criteria.
3. The future supply has been considered after analyzing each of the projects based on the physical progress of the project, available information on approvals and interactions held with various stake holders
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.



## 2.3 Supply, Absorption & Vacancy

The supply, absorption and vacancy trend for Noida is as follows:



Source: Cushman and Wakefield Research

### Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area, excluding non-IT buildings and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

Noida has emerged as a preferred IT / ITeS destination over the years due to excellent physical infrastructure, affordable rentals and availability of large office spaces. The growth is backed by availability of large talent pool and residential spaces across all price points. The overall perception of Noida has also evolved as an office destination.

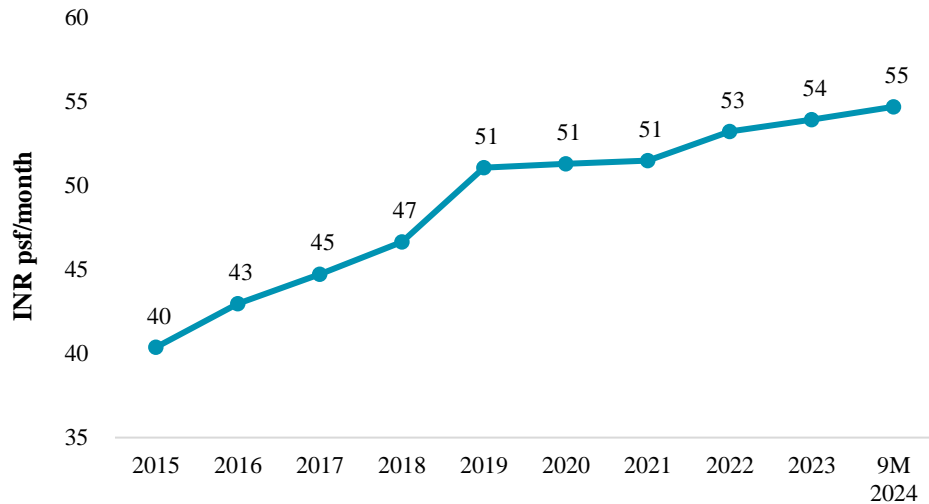
Noida over the past 9.75 years has seen an average supply addition of approximately 1.28 msf and an annual average net absorption of approximately 1.00 msf. Noida has always benefited from the presence of superior infrastructure as compared to other cities of NCR. With improvement in intercity connectivity, and quality developments, it is witnessing an upward absorption.

The shift in development status of the city from being dominated by sub-investment grade structures to good campus / large integrated park-based development has resulted in the city to grow exponentially in office segment. With increasing occupier base, and major infrastructure getting developed viz. Jewar Airport in Noida, the same trend is likely to continue in future.

## 2.4 Rental Trend Analysis

The rental trend for Noida is as follows:

### Rental Trend Analysis - Noida



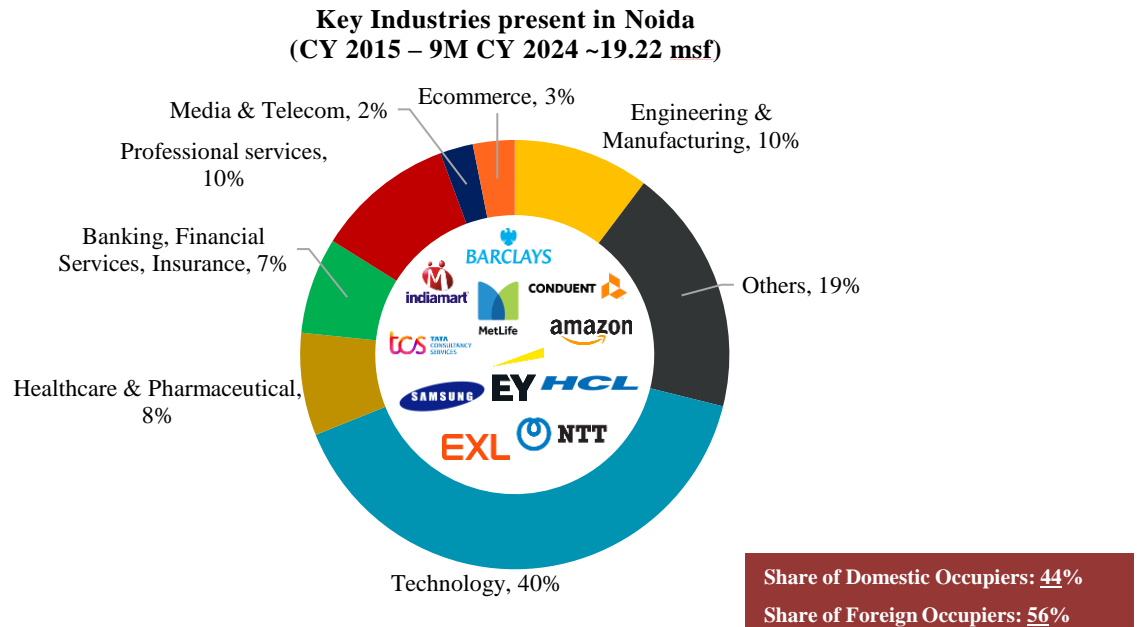
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above chart.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area, excluding non-IT buildings across Noida.
3. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
4. Rentals presented above are weighted average values on completed stock.

Established micro markets of Gurugram is reaching saturation which results in benefiting the Noida micro markets because of their quality workspaces available at competitive rentals. Further, with new infrastructure initiatives viz. Airport at Jewar, the trend is likely to continue in future.

## 2.5 Sectoral Demand Analysis – Noida (CY 2015 – 9M CY 2024)



Source: Cushman and Wakefield Research

### Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic and Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics and Shipping, Aviation, Diversified, Real Estate and Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of Noida's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments and sale/purchase transactions are excluded from this analysis.

Noida's office supply (which is predominantly IT/ITeS & SEZ in nature) is dominated by Technology occupiers contributing 40% to the overall demand. The other prominent industries contributing 27% to the demand are Engineering & Manufacturing (10%) and Professional Services (10%) and BFSI (7%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Noida is 56:44.



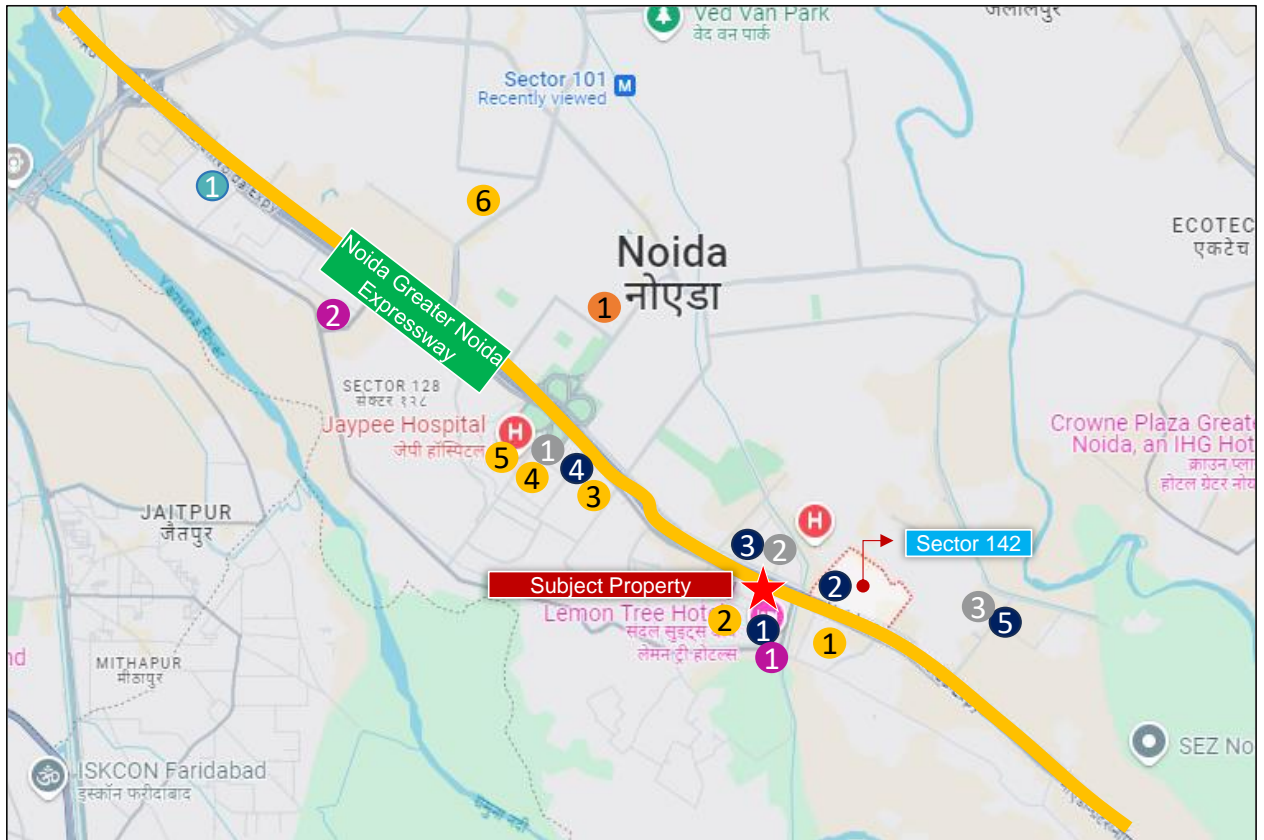
### **3 Noida – Greater Noida (NGN) Expressway – Competitive REIT Micro Market**

#### **3.1 Overview**

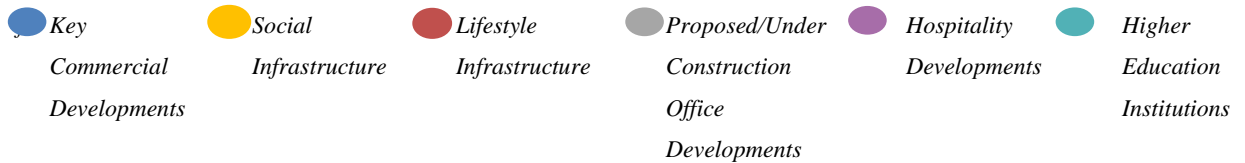
The Noida–Greater Noida Expressway is one of the fastest growing office clusters of Noida. This competitive REIT micro market is located in South-Eastern part of Noida and is being developed as an integrated vector with presence of residential, institutional, commercial, IT/ITeS, along both side of NGN Expressway. Noida – Greater Noida Expressway micro market possesses excellent physical infrastructure and is one of the established IT /ITeS destinations of Noida. This micro market is dotted with presence of both nationalized and local developers. The office supply here primarily constitutes investment grade structures.

Some of the prominent IT/ITeS developments in this competitive REIT micro market includes Embassy Oxygen Tower, Advant Business Park, Stellar IT Park, Assotech Business Cresterra and the Subject property, etc. Candor TechSpace N2 is a multi-tenanted office and the largest office campus in Noida. The Competitive REIT micro market also houses the office of various corporates such as Axis Bank, Adobe, ATS etc. N2 is within close proximity to some of the renowned hotels like Sandal Suite by Lemon Tree etc.

### 3.2 Social and Physical Infrastructure



Source: Cushman and Wakefield Research  
(Map not to scale)



Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Assotech Business Cresterra (1.5 km)	1. Shiv Nadar School (1.2 km)	1. Market, Sector 110 (6.5 km)	1. ORD Towers Sector 132 (2.3 km)	1. Sandal Suites by Lemon Tree (1.5 km)	1. Amity University (11.3 km)
2. Advant Navis Business Park (3.5 km)	2. Police Station, Sector 135 (1.5 km)		2. ORD Towers Sector 142 (3.1 km)	3. Hide Away Suites (5.3 km)	
3. Sovereign Corporate Tower (3.6 km)	3. Genesis Global School (4.2 km)		4. Cyberthum Tower A (6.5 km)		
5. Express Trade Tower 2 (4.7 km)	4. DPS, Sector 132 (7.1 km)				

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
6. Embassy Oxygen Business Park (6.9 km)	5. Jaypee Hospital (7.1 km)				
7. Windsor Grand (8.4km)	6. Pathways School Noida (8.6 km)				
8. Logix Techno Park (9.6 km)					
9. DLF Tech Park Phase-1 (4.7 km)					

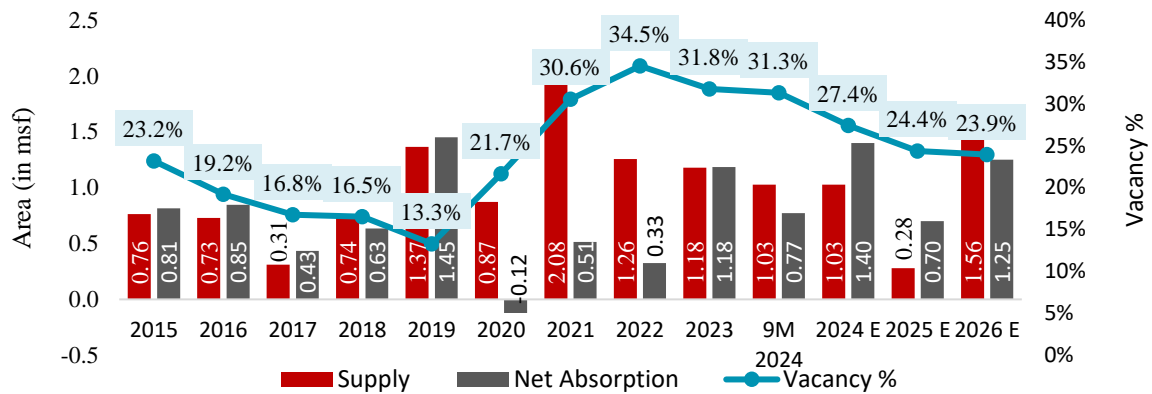
Noida–Greater Noida Expressway, which is a 23.5 km long 8–lane expressway connects the competitive REIT micro market to rest of the city and other parts of NCR. This micro market is also connected to other parts of the city through Aqua line of NMRC with nearest metro station located at sector 142 on NGN expressway.

Further, the under-construction Faridabad Noida Ghaziabad (FNG) Expressway and will enhance the connectivity of Noida–Greater Noida Expressway with Ghaziabad and Faridabad.

### 3.3 Supply, Absorption & Vacancy Analysis

The supply, absorption vacancy trend analysis for NGN Expressway are as follows.

**NGN Expressway - Supply, Net Absorption & Vacancy Trend Analysis**



Source: Cushman and Wakefield Research

Notes:

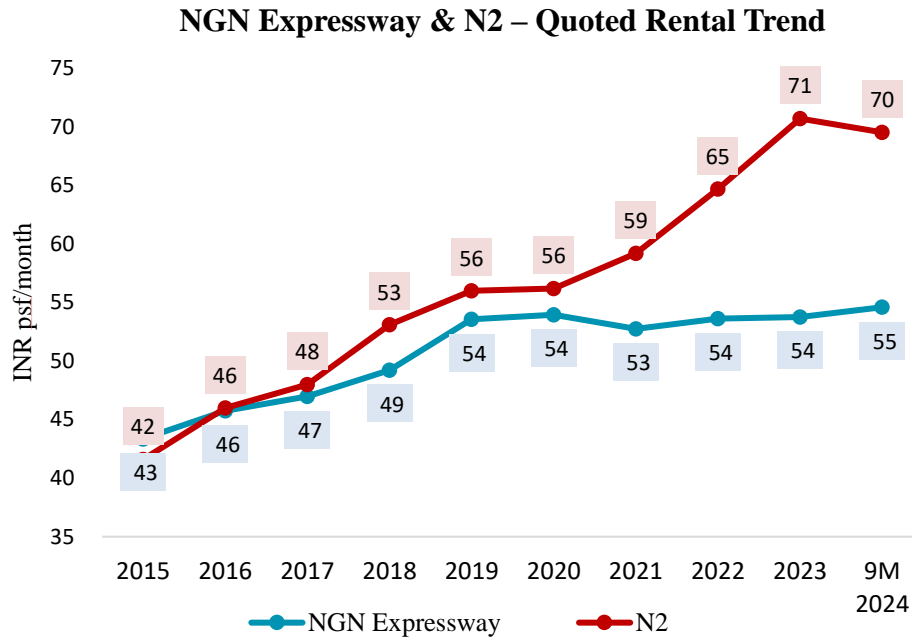
1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area, excluding non-IT buildings and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy, and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The Noida–Greater Noida Expressway is one of the fastest growing office clusters of Noida. The Competitive REIT micro market enjoys superior connectivity with Delhi and other parts of Noida. With continuous improvement in infrastructure, occupiers are willing to expand across the cities. The Competitive REIT micro market has thus witnessed entry of many such occupiers. With significant differential in rentals as compared to micro markets of Gurugram and other micro markets of NCR, the Competitive REIT micro market offers competitive rentals to the occupiers.

Continuous traction has been observed in the Competitive REIT micro market. As on 9M CY 2024, the net absorption in the market is 0.77 msf, along with vacancy levels at ~31.3%.

### 3.4 Rental Trend Analysis

The rental trend analysis for Sector 62, Noida and the Subject Property is as follows –



Source: Cushman and Wakefield Research

Notes:

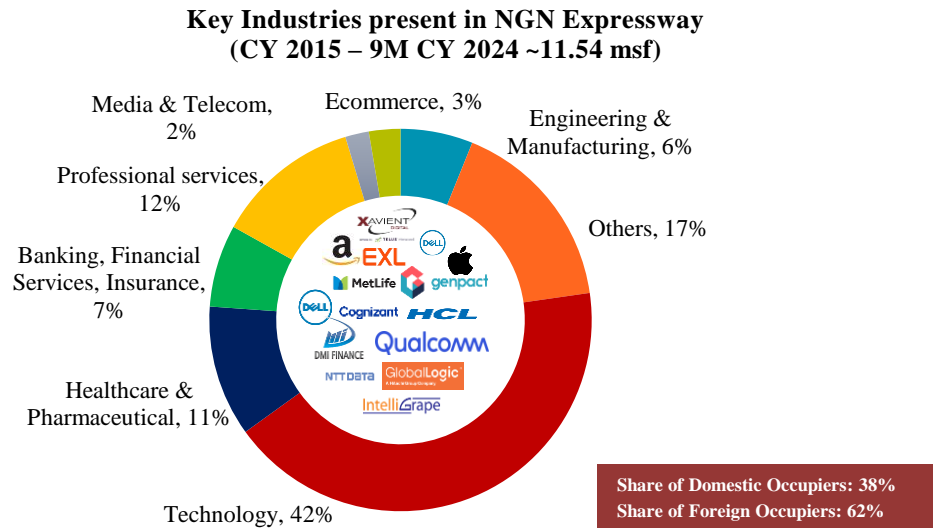
1. Only Grade A office spaces have been considered for the analysis presented in the above chart.
2. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria.
3. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for Candor TechSpace N2 have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Rentals presented above are weighted average values on completed stock.

The competitive REIT micro market is a preferred destination for IT/ITeS occupier base. It is one of the largest office micro markets of Noida, offering superior infrastructure and office developments which offer world class amenities.

The graph above represents the rental growth rate of N2 versus entire cluster. The analysis suggests that N2 has witnessed a rental growth of 6.0%, as compared to a growth of 2.7% in the Competitive REIT Micro Market over the same period. The difference in rental growth also illustrates occupiers' willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.



### 3.5 Sectoral Demand Analysis- NGN Expressway (2015 – 9M CY 2024)



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were not considered for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of NGN Expressway's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Noida–Greater Noida Expressway micro market is dominated by technology sector, which contributed 42% to the leasing activity for the period CY 2015 – 9M CY 2024. The tenants are attracted to this competitive REIT micro market due to availability of larger floor plates, affordable rentals and good connectivity. The technology occupiers in this micro market are involved in the activities of software development, research & development etc. The other largest occupiers are BFSI (7%), Engineering & Manufacturing (6%), Professional Services (12%) and Healthcare & Pharmaceutical (11%) together contributing 36%. The mix of foreign and domestic occupants in NGN Expressway, Noida is 62:38.



#### **4 Market Outlook**

Noida–Greater Noida Expressway comprises some of the well-established office developments i.e., Subject Property, Embassy Oxygen Tower, Advant Business Park, Stellar IT Park, Assotech Business Cresterra etc.

The vacancy in the Competitive REIT Micro Market has shown a declining trend from 23.2% in 2015 to 13.3% in 2019. Since CY 2019 the vacancy level has increased owing to continuous supply addition in the market. As on 9M CY 2024, the Competitive REIT Micro Market has recorded an absorption of 0.77 million sq. ft., with a vacancy rate of 31.3%

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 55 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. However, recent transactions at Subject Property have happened at INR 70 per sq ft./m , the difference in achievable rent illustrates occupiers' willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.

Considering the well-maintained infrastructure, key location, the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.

Also, the Competitive REIT Micro Market constitutes large IT Parks which fit well with the requirement of technology sector (largest contributor to demand of Noida). We expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs will further drive significant demand in the commercial real estate sector.



## **C      SUBJECT PROPERTY REPORT**

## **1 Address, ownership and title details of Subject Property**

Address:	Plot No. 20, 21, Noida – Greater Noida Expressway, Sector 135, Noida Uttar Pradesh – 201304, India
Ownership & title details:	Land tenure: Leasehold; and buildings thereupon are owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT

*Source: Client Information*

The tenure of the underlying land of the Subject Property is leasehold with lessee being New Okhla Industrial Development Authority (NOIDA Authority). The remaining tenure of the land is ~74 years. Given that the purpose and obligations associated with lease of the underlying land has essentially been achieved, the likelihood of lease getting cancelled or not renewed at the end of the tenure is negligible. Thus, no specific adjustments are required to be made towards the legal tenure of underlying land's ownership.

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Ind-Legal (Hereinafter referred to as 'Legal Counsels'). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

## 2 Location

### 2.1 General

The Subject Property is located in Sector 135, Noida. It is located in one of the established IT/ITeS office destination of Noida. It is a three-side open plot which is accessible via a 45-meter-wide sector road off Noida–Greater Noida Expressway on North as well as East and 30-meter-wide road on the West. The Subject Property is accessible via Noida–Greater Noida Expressway which connects it to further regions of NCR such as Greater Noida, Delhi, Ghaziabad, etc.

N2 lies in close proximity to Sector 142 Metro Station (Aqua Line of DMRC), which further enhances its accessibility from different parts of NCR. Further, the under-construction Faridabad Noida Ghaziabad (FNG) Expressway and a proposed 75-meter-wide expressway starting from Noida Sector 150 up till Faridabad will enhance the connectivity of Subject Property with Ghaziabad and Faridabad. The Subject Property lies in close proximity to various office assets such as Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Embassy Oxygen, Express Trade Towers 2, etc.

The location map of the Subject Property is as follows:



Source: Cushman and Wakefield Research

(Map not to scale)



#### Site Boundaries

The site boundaries the Subject Property are as under:

- North: Noida–Greater Noida Expressway
- East: Access Road & Developed Residential Group Housing Formats
- West: Stellar IT Park
- South: Commercial Development (Assotech Park)

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 0.1 km from Noida–Greater Noida Expressway
- Approximately 2 km from Noida Sector 142 Metro Station
- Approximately 14 km from Sector 18, Noida
- Approximately 14 km from DND Expressway
- Approximately 27 km from New Delhi Railway Station
- Approximately 28 km from Connaught Place
- Approximately 36 km from Indira Gandhi International Airport

## **2.3 Ground Conditions**

Based on visual inspection, there were no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.



### 3 Subject Property - Asset Description

N2 is an IT/ITeS business park with 14 completed buildings and 2 future developments. The Subject Property can be classified as: completed, and future development. The listing of buildings under each component is as follows:

- **Completed buildings with Occupancy Certificate (OC) received**– Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, Amenity Block–1 (Ground Floor) and Amenity Block–2
- **Future development buildings** – Tower 12 and Amenity Block–1 (First Floor)

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Status	Expected Completion Date
Tower-1	2,08,116	Completed	NA
Tower-2	2,60,171	Completed	NA
Tower-3	2,05,145	Completed	NA
Tower-4	2,90,210	Completed	NA
Tower-5	3,10,437	Completed	NA
Tower-6	4,28,573	Completed	NA
Tower-7	3,11,093	Completed	NA
Tower-8	2,47,758	Completed	NA
Tower-9	3,94,108	Completed	NA
Tower-10	2,60,154	Completed	NA
Amenity Block–1 (Ground Floor)	15,303	Completed	NA
Amenity Block–2	38,121	Completed	NA
Tower-11	6,86,724	Completed	NA
Tower-11A	1,68,632	Completed	NA
Tower-12	7,60,000	Future Development	Q2 FY 2028-29
Amenity Block–1 (First Floor)	10,873	Future Development	Q3 FY 2025-26
<b>Total</b>	<b>45,95,418</b>		

Source: Architect's Certificate (30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information.

<sup>^</sup>The first floor of Amenity Block-1 is considered as future development and has not been counted as an additional tower for the purposes of computing the no. of buildings in the future development component.

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificates (OC) received

Particulars	Details
<b>Entity:</b>	Seaview Developers Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida – Greater Noida Expressway
<b>Approved and Existing Usage:</b>	IT/IteS
<b>Land Area (acres):</b>	~29.653
<b>Freehold/ Leasehold:</b>	Leasehold Land
<b>Leasable Area:</b>	38,24,545 sq. ft.
<b>Occupied Area:</b>	30,93,384 sq. ft.
<b>Committed Occupancy (%)#:</b>	80.88%*
<b>Current Effective Rent (excluding parking):</b>	INR 60 per sq. ft. per month (Office tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 60 per sq. ft. per month (Office, Retail and Telecom tenants)
<b>Number of Tenants:</b>	21 (office)

Source: Architect's Certificate (30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information.

Note:

Refer company structure set out in Annexure 2.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area

# The increase in leasable area is due to change in efficiency.



**Future Development – Tower 12**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q2 FY 2028–29
<b>Asset type:</b>	Approved IT/IteS
<b>Sub-market:</b>	Noida – Greater Noida Expressway
<b>Approved Usage:</b>	IT/IteS
<b>Leasable Area:</b>	7,60,000 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (30<sup>th</sup> of October 2024), and Client Information*

**Future Development- Amenity Block–1 (First Floor)**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q3 FY 2025–26
<b>Asset type:</b>	Approved IT/IteS
<b>Sub-market:</b>	Noida – Greater Noida Expressway
<b>Approved Usage:</b>	IT/IteS
<b>Leasable Area:</b>	10,873 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (30<sup>th</sup> of October 2024), and Client Information*

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 14 operational buildings along with future development area was physically inspected on 19 <sup>th</sup> March 2024 (Subsequently no site visit has been done).
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational buildings</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>Area provisioned for Future development.</li> </ol>
<b>Key Observation:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Building:</b> <p>The 14 operational buildings in the campus are Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, Amenity Block–1 (Ground Floor) and Amenity Block–2 with OC received collectively admeasuring 38,24,545 sq. ft. of leasable area. The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>Office: The 12 office towers (i.e., Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A) collectively admeasuring leasable area of 37,71,121 sq. ft. These towers are occupied by multiple tenants. Major tenants in these blocks are Samsung, Steria, Genpact, Xavient, Cognizant, Qualcomm and Accenture.</li> <li>Amenity Block: Constitutes Amenity Block–1 (Ground Floor) and Amenity Block–2 having leasable area of 53,424 sq. ft. These Blocks constitute retail area catering to all basic requirements of occupiers viz. Food &amp; Beverages (F&amp;B) (in the form of multi cuisine food courts), creche, bank branch and ATM, indoor sports, 24X7 Paramedics, convenience store, etc. Major tenants in these blocks are BlueChip, The Kitchen Stories, Dex Retail and Ipsaa.</li> </ol> </li> <li> <b>Future development:</b> <p>The Future Development includes Tower 12 and Amenity Block–I (First Floor) having total leasable area of 7,70,873 sq. ft. The details are:</p> <ol style="list-style-type: none"> <li>Tower 12 having leasable area of 7,60,000 sq. ft. The tower is proposed to be developed with modern age aesthetics, which intends to create differential experience for the occupiers viz. walk through along waterbodies, larger lobby area, improved amenity area etc. The same is expected to be completed by Q2 FY 2028–29.</li> <li>Amenity Block-1 (First Floor) having leasable area of 10,873 sq. ft.</li> </ol> </li> </ul>	

#### **Other Amenities**

- The Subject Property is equipped with sustainable features that include STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.
- It also offers amenities like food court, F&B, fitness zones with gym, convenience shopping, banks with ATMs, shuttle services and day care.

#### **Awards & Certifications**

- The Subject Property has been awarded IGBC Platinum Rating for sustainability and 5–Star Rating by the Bureau of Energy Efficiency (BEE) in addition to the group wide ISO 9001, 14001, 50001, GRESB 5–star rating and OHSAS 18001 Certification.

#### **Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 6,595 (including future developments) parking spaces.

#### **Other Observations**

- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- No instances of any major logging or water accumulation were observed during the inspection. The utility areas also appeared well maintained, visually.
- In addition to three existing entry and exit points, an additional entry/ exit gate is planned in near future, which shall further improve traffic movement both inside and outside the campus.
- Regular upgradation activities are being undertaken within the campus to ensure its upkeep as per the modern age requirement (Please refer to Annexure 8 for more details).

*Source: Architect's Certificate (30<sup>th</sup> of October 2024)*

*Note:*

- The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*
- The increase in leasable area is due to change in efficiency.*

### 3.3 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the properties forming part of the Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations] , as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30<sup>th</sup> of October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.



### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants account for ~75% of the leased area and ~75% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Samsung	3,77,118
2	Xavient	2,97,610
3	Steria	2,90,100
4	Cognizant	2,55,826
5	Qualcomm	2,48,378
6	Genpact	2,39,641
7	Accenture	1,69,094
8	Aristocrat	1,68,632
9	Conduent	1,34,018
10	R1 RCM	1,31,211
<b>Total</b>		<b>23,11,638</b>

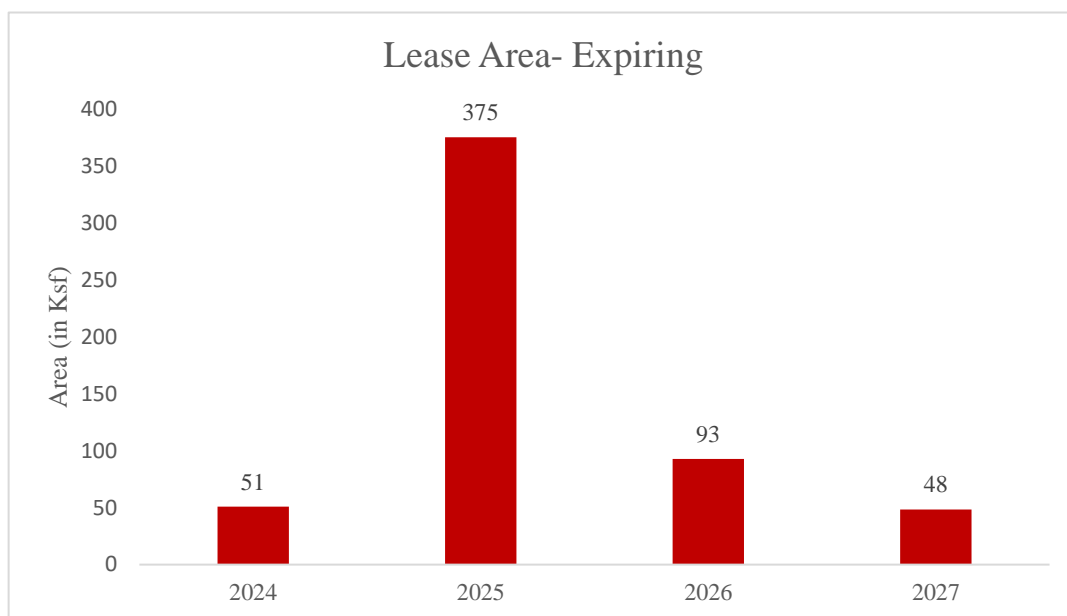
Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Samsung	12%
2	Xavient	10%
3	Qualcomm	9%
4	Cognizant	9%
5	Steria	8%
6	Genpact	8%
7	Aristocrat	6%
8	Accenture	5%
9	R1 RCM	5%
10	Conduent	5%
<b>Total</b>		<b>76%</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 7.8 years, with 18% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office, retail and telecom tenants).



*Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information*

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. The time-period for 2024 is considered from 1<sup>st</sup> October 2024 till 31<sup>st</sup> December 2024.



## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details and ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of commercial/ IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2–3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

#### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the subject properties. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11<sup>th</sup> year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11<sup>th</sup> year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Properties.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11<sup>th</sup> year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

#### 4.4 Information Sources:

Subject Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.



## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	38,24,545#
Area Leased	sq. ft.	30,93,384
Committed Occupancy*	%	80.88%
Vacant Area	sq. ft.	7,31,161
Vacancy	%	19.1%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	sq. ft.	6,35,547
Existing Lease Rollovers	%	100%
Rent Free Period – Existing Leases (First Year)	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	5,776
Estimated Leasing Period	# of quarters	13

Source: Architect's Certificate (30<sup>th</sup> of October 2024), Rent Roll as at 30<sup>th</sup> September 2024.

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area

# The increase in leasable area is due to change in efficiency.

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2022 – 9M CY 2024, the Noida–Greater Noida Expressway micro market has witnessed an average annual net absorption of approximately 0.83 msf.
  - Going Forward, this micro market is expected to have an average annual demand of approximately 1.15 msf per annum till year 2026E.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.64 msf within 13 quarters from January 2025 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2024.

## A detailed map of Noida, India, highlighting key locations and infrastructure. The map features several numbered blue circles (1-6) indicating specific points of interest. Key landmarks include Windsor Grand, Logix Techno Park, Aqua Line Metro, Express Trade Tower, ORD Towers, Nagla Bahrapur, Nagli Sabapur, Kidawali Khandwala, and various business parks like Advent Navis Business Park, Sovereign Corporate Tower, and Oxygen Business Park. Roads shown include Dadri Main Rd, Vayvokarma Rd, Sector 128, and the Noida - Greater Noida Expressway. A red star marks a location near Bajidpur. Arrows indicate directions towards Noida and Greater Noida. Other labels include PHASE-2 फेस-2, JALPURA जलपुरा, Khera Choganpur खैरा चोगंपुर, Habibpur हबीबपुर, Daewoo, Crown Plaza Noida, Stellar 1423, Clim Up Camp Noida, and Noida1.

*Note: Blue boxes signify existing supply and grey box signify upcoming supply.*

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 63.00
Achievable Market Rent – Office (Base) (Non SEZ Area)	Per sq. ft. per month	INR 69.50
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 103.00
Achievable Market Rent – Office (Base) (including Parking)	Per sq. ft. per month	INR 65.00
Achievable Market Rent – Office (including Parking) (Non SEZ Area)	Per sq. ft. per month	INR 71.50
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 105.00
Other Income	Per sq. ft. per month	INR 0.33
Rental Growth Rate (for FY' 26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – FY26 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP* Margin)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.56

*Note: \*CIOP (Candor India Office Park) provides project management services to the properties of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

- Market rent – office:**

- o Achievable market rent includes parking charges of INR 2 per sq. ft. per month (considering the parking rent of INR 4,000 per slot per month).
- o Leases happened between period FY' 2023 to FY' 2025, approximately 0.65 msf was leased in the rental range of INR 55–67 per sq. ft. per month (including parking). Some of the office leases signed in between FY 2023 to FY 2025 are given below:

#### Lease Transactions between FY' 2023 to FY' 2025

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft/ month) Including Parking
Telecommunication Company	2024	64,156	66
Professional Services	2024	24,793	64
IT Company	2024	24,544	64
IT Company	2024	40,180	66
Telecommunication Company	2024	34,567	65
Professional Services	2024	55,228	65
IT Company	2024	88,568	62
Professional Services	2023	41,332	58
IT Company	2023	81,761	55
Telecommunication Company	2023	43,756	67
Professional Services	2023	24,544	55
IT Company	2022	1,28,452	65

*Source: Rent roll as at 30<sup>th</sup> September 2024 and Client Information*

- o Considering the location, accessibility, quality, size of the building, and keeping in view of the future supply, which is very limited, enable the buildings to command a premium. Hence, it can reasonably



be assumed that the Subject Property shall be able to command a monthly rental of INR 65 per sq. ft. per month (including parking charges) for SEZ Area and INR 71.5 per sq. ft. per month (including parking charges) for Non SEZ Area as Non SEZ IT/ITeS area gets leased at a premium of 10% compared to SEZ area.

- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5–6% in the medium to long term. Therefore, we expect an annual rental growth rate of 5.0% from FY'26 onwards.
- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the Manager. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'25 has been assumed to range from INR 5 to 10 per sq. ft. per month. Further, the total CIOP expense for N2 is provided to be INR 109 Million for the FY'25 which are being escalated at 6.5 % annually for the subsequent year. Tenants are charged INR 3.65 – 8.54 per sq. ft. per month, based on their type on account of CIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 75% where it was more than 75%, when the area gets re-leased on expiry.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage Cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage Cost (New Lease)	Month Rent	2 Month Rent
Other Costs for Vacant Area for the Property Owner	Per sq. ft./month	INR 7.11
Land Lease Rent Payment	Per sq. ft./month	INR 0.31
Cost Escalation	% p.a.	5.0%
Transaction Cost on Sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

*Please note that there is a general development expenditure of INR 573 million to be incurred on the Subject Property.*

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Lease rent payment & Rent permission:** The Subject Property being the leasehold property involves lease rent payments of INR 14.09 Million per annum (as per the information provided by Client). It will be escalated by 50% in FY' 26 .
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value, indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates.

In order to arrive at the capitalization rate for the Subject Property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were pursued. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for public listing with better liquidity/ marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market player.

\*CPPIB took 51% stake in the property erstwhile held by Prestige estates.



- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable of Embassy Office Parks REIT which has been trading since April 2019. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.



### **Future Development**

Please note that all assumptions mentioned above under the “Completed Property” section hold true for “Future development” buildings. The exceptions if any are as elaborated below:

### **Subject Property Details**

Subject Property Details	Unit	Tower 12	Amenity Block-1 (First Floor)
Total Leasable Area	sq. ft.	7,60,000	10,873
Stabilized Vacancy	%	2.50%	2.50%
Rent Free Period – New Leases	Months	4	4
Total Parking Slots	#	819	-
Estimated Leasing Period	# of quarters	5	2

Source: Architect's Certificate (30<sup>th</sup> Of October 2024)

### **Construction Related Assumptions**

Construction Related Assumptions	Units	Tower 12
Start Date of Construction	Month/ Year	October-25
End Date of Construction*	Month/ Year	September-28
Total Construction Cost <sup>3</sup>	INR Million	4,100

\*Expected date of receiving occupancy certificate.

#### **Notes:**

1. We have relied upon Client inputs for the assumptions relating to construction.
2. The assumptions on cost to be incurred for future developments is based on inputs provided from the client while applying independent professional judgement by the valuer.
3. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 63.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 103.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 65.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 105.00
Rental Growth Rate (from FY' 26 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – FY 26 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP* Margin)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.56

*Note: \*CIOP (Candor India Office Park) provides project management services to the properties of Brookfield India REIT which include services pertaining to construction, operations, procurement, accounting, legal and compliance services.*

### Capitalization Rate and Discount Rate

With reference to the explanation in completed property section, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year. Owing to the various risks pertaining to the under-construction/ future development properties, we have considered a risk premium of 125 bps, to derive the WACC of 13.00% for under-construction / future development properties. This is in line with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Buildings	30 <sup>th</sup> September 2024	INR 42,020 Million	Indian Rupees Forty-Two Billion and Twenty Million Only
Future Developments	30 <sup>th</sup> September 2024	INR 2,649 Million	Indian Rupees Two Billion Six Hundred and Forty-Nine Million Only

### Ready Reckoner Rate

Component	Rate
Carpet Area	INR 2,04,750 per sq. meter
Land Area	INR 28,000 per sq. meter

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



## Annexure 1: Cash Flows

**Completed Buildings: Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, Amenity Block–1 (Ground Floor) and Amenity Block–2**

Years		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	2,180.1	2,491.7	2,921.1	3,181.7	3,387.1	3,566.8	3,777.6	4,034.3	4,196.1	4,338.7	4,646.1
O&M Markup	INR Million	352.7	413.2	459.2	493.8	517.3	534.7	553.8	575.3	595.6	618.2	640.4
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	16.1	16.9	17.7	18.6	19.5	20.5	21.5	22.6	23.7	24.9	26.1
<b>Total Income</b>	<b>INR Million</b>	<b>2,548.9</b>	<b>2,921.8</b>	<b>3,398.0</b>	<b>3,694.1</b>	<b>3,923.9</b>	<b>4,122.0</b>	<b>4,352.9</b>	<b>4,632.2</b>	<b>4,815.4</b>	<b>4,981.8</b>	<b>5,312.7</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,548.9</b>	<b>2,921.8</b>	<b>3,398.0</b>	<b>3,694.1</b>	<b>3,923.9</b>	<b>4,122.0</b>	<b>4,352.9</b>	<b>4,632.2</b>	<b>4,815.4</b>	<b>4,981.8</b>	<b>5,312.7</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(49.4)	(30.0)	(12.2)	(0.6)	-	-	-	-	-	-	-
Lease Rent Payments	INR Million	(27.3)	(34.4)	(34.4)	(34.4)	(37.5)	(47.0)	(47.0)	(47.0)	(47.0)	(47.0)	(47.0)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(76.7)</b>	<b>(64.4)</b>	<b>(46.5)</b>	<b>(35.0)</b>	<b>(37.5)</b>	<b>(47.0)</b>	<b>(47.0)</b>	<b>(47.0)</b>	<b>(47.0)</b>	<b>(47.0)</b>	<b>(47.0)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,472.2</b>	<b>2,857.4</b>	<b>3,351.4</b>	<b>3,659.1</b>	<b>3,886.4</b>	<b>4,075.0</b>	<b>4,305.9</b>	<b>4,585.2</b>	<b>4,768.3</b>	<b>4,934.8</b>	<b>5,265.6</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	65,820.4	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(658.2)	-
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>2,472.2</b>	<b>2,857.4</b>	<b>3,351.4</b>	<b>3,659.1</b>	<b>3,886.4</b>	<b>4,075.0</b>	<b>4,305.9</b>	<b>4,585.2</b>	<b>4,768.3</b>	<b>70,097.0</b>	
Maintenanace Capex	INR Million	(43.6)	(49.8)	(58.4)	(63.6)	(67.7)	(71.3)	(75.6)	(80.7)	(83.9)	(86.8)	
Brokerage Expenses	INR Million	(36.4)	(66.9)	(28.0)	(20.4)	(8.6)	(22.9)	(34.5)	-	(33.2)	(66.3)	
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(573.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,819.1</b>	<b>2,740.7</b>	<b>3,265.0</b>	<b>3,575.1</b>	<b>3,810.1</b>	<b>3,980.7</b>	<b>4,195.9</b>	<b>4,504.5</b>	<b>4,651.2</b>	<b>69,944.0</b>	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Future Development: Tower 12**

Years		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	-	57.7	563.0	755.4	781.3	860.6	868.8	898.5
O&M Markup	INR Million	-	-	-	-	31.2	127.8	143.4	149.8	156.5	163.5	170.8
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	88.9	690.8	898.8	931.1	1,017.1	1,032.3	1,069.3
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	88.9	690.8	898.8	931.1	1,017.1	1,032.3	1,069.3
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	(60.9)	(5.9)	-	-	-	-	-
Lease Rent Payments	INR Million	(3.0)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)
<b>Total Operating Costs</b>	<b>INR Million</b>	(3.0)	(4.5)	(4.5)	(4.5)	(65.4)	(10.3)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)
<b>Net operating Income</b>	<b>INR Million</b>	(3.0)	(4.5)	(4.5)	(4.5)	23.6	680.5	894.4	926.6	1,012.6	1,027.8	1,064.9
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	13,311.1	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(133.1)	
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	(3.0)	(4.5)	(4.5)	(4.5)	23.6	680.5	894.4	926.6	1,012.6	14,205.8	
Maintenanace Capex	INR Million	-	-	-	-	(1.2)	(11.3)	(15.1)	(15.6)	(17.2)	(17.4)	
Brokerage Expenses	INR Million	-	-	-	-	(63.7)	(62.2)	-	-	-	-	
<b>Total Construction Costs</b>	<b>INR Million</b>	-	(1,640.0)	(1,640.0)	(820.0)	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	(3.0)	(1,644.5)	(1,644.5)	(824.5)	(41.3)	607.0	879.3	911.0	995.4	14,188.4	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



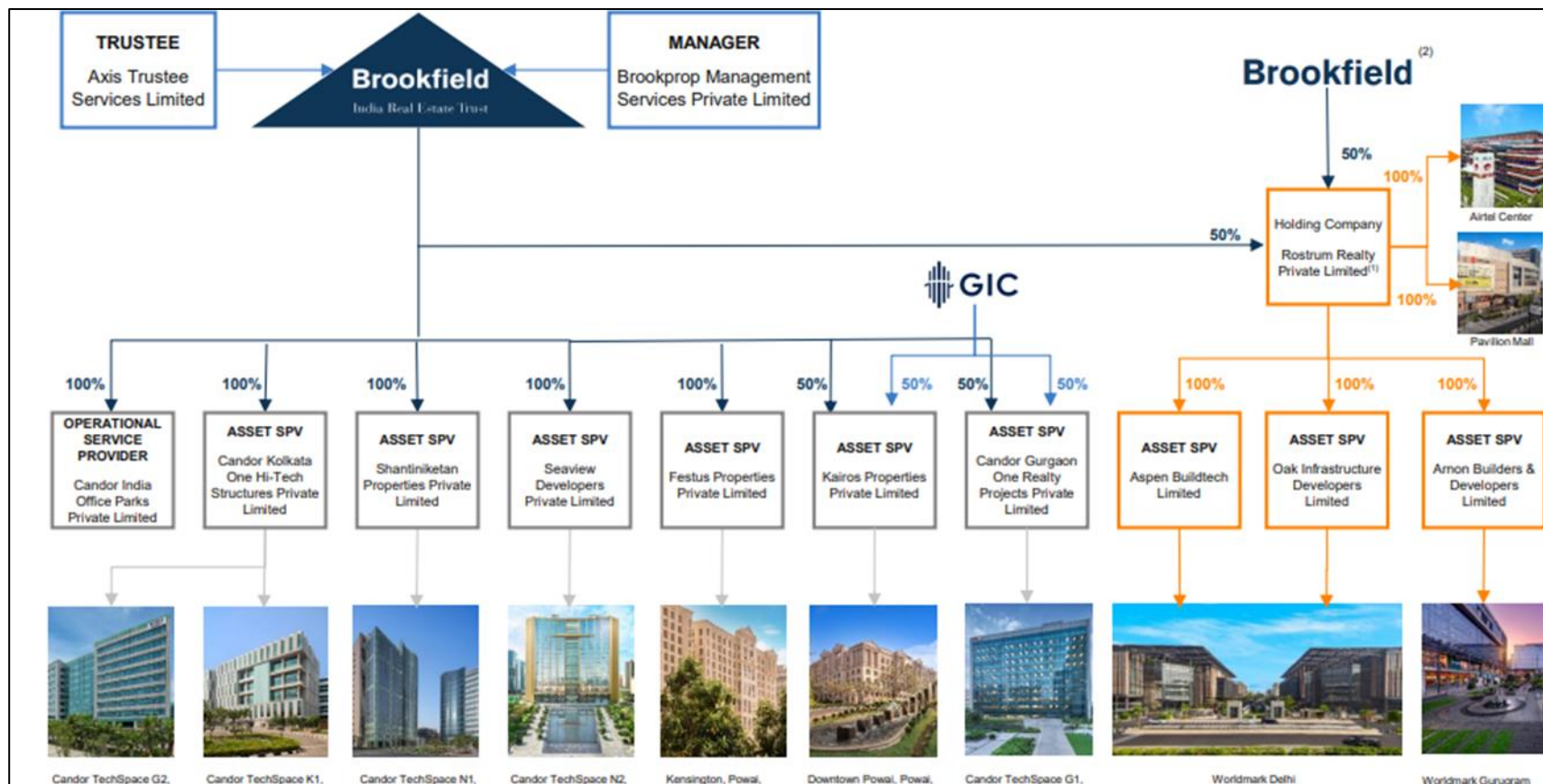
**Future Development: Amenity Block–1 (First Floor)**

Years		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	4.3	14.7	14.7	16.1	16.9	16.9	18.5	19.5	19.5	21.6
O&M Markup	INR Million	-	1.0	1.7	1.8	1.9	2.0	2.1	2.1	2.2	2.3	2.4
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	5.3	16.4	16.5	18.0	18.9	19.0	20.7	21.7	21.8	24.0
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	5.3	16.4	16.5	18.0	18.9	19.0	20.7	21.7	21.8	24.0
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(0.9)	(0.4)	-	-	-	-	-	-	-	-	-
Lease Rent Payments	INR Million	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total Operating Costs</b>	<b>INR Million</b>	(1.0)	(0.4)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Net operating Income</b>	<b>INR Million</b>	(1.0)	4.9	16.4	16.5	17.9	18.9	18.9	20.6	21.7	21.8	24.0
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	299.8	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(3.0)	
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	(1.0)	4.9	16.4	16.5	17.9	18.9	18.9	20.6	21.7	318.6	
Maintenance Capex	INR Million	-	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	
Brokerage Expenses	INR Million	-	(2.5)	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	(1.0)	2.4	16.1	16.2	17.6	18.5	18.6	20.3	21.3	318.2	

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



## Annexure 2: Ownership Structure

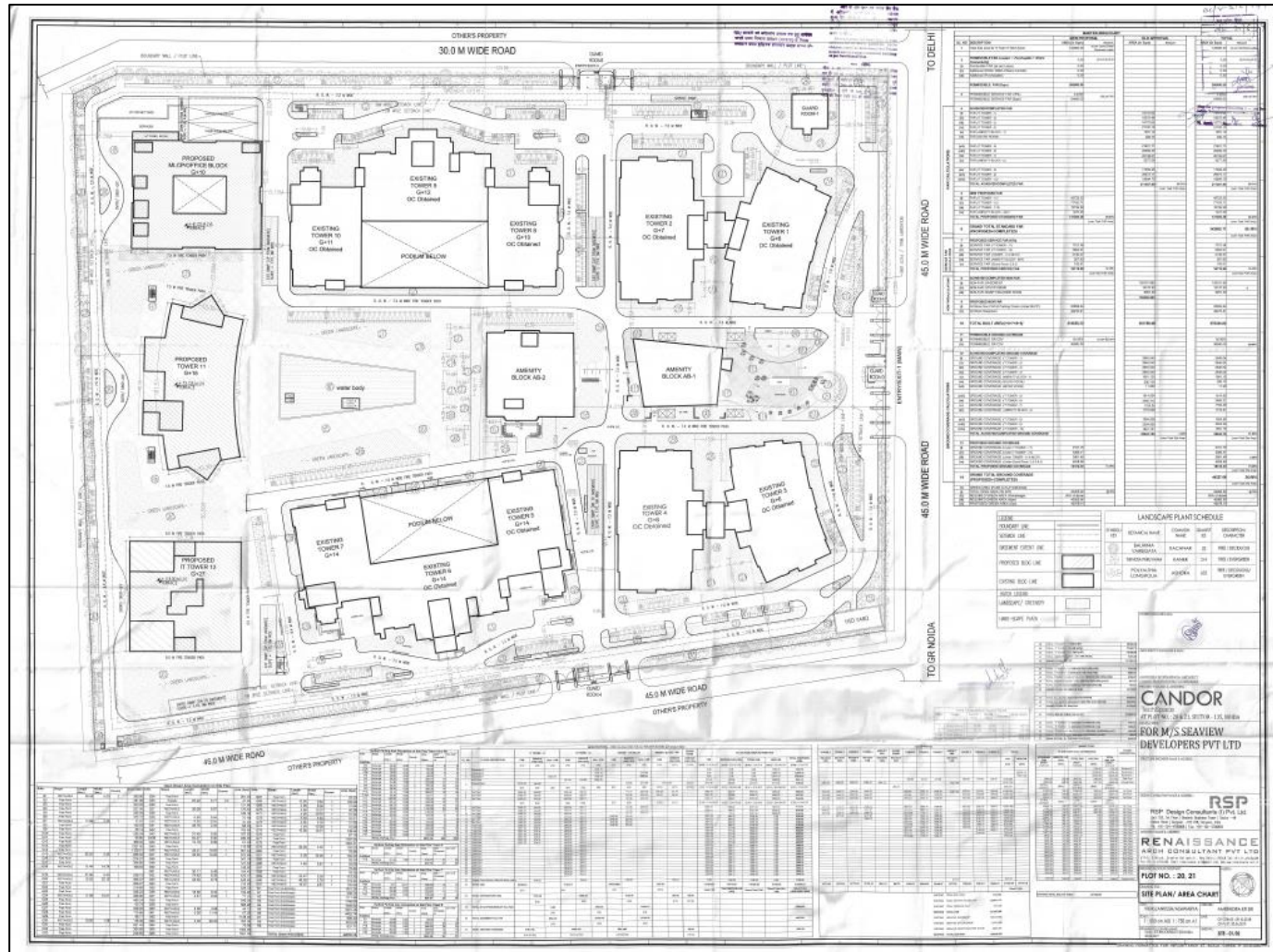


### Note:

By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from May 4, 2020, with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020.



### Annexure 3: Site Layout (Completed & Future Development)



*Source: As provided by client*



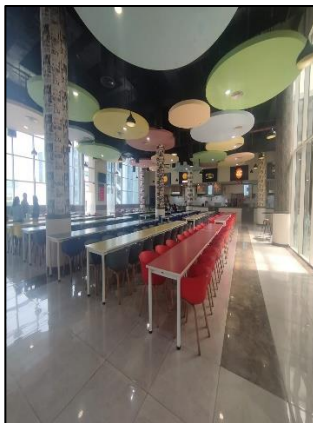
**Annexure 4: Subject Property Photographs**



View of Subject Property



View of Subject Property



Internal View of Subject Property



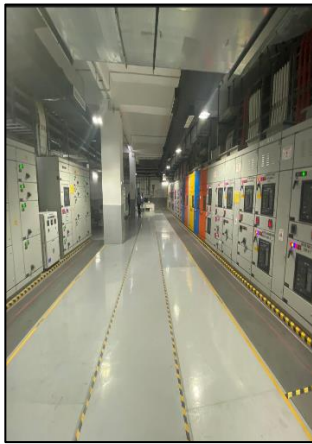
View of Subject Property



View of Tower 9



View of Subject Property



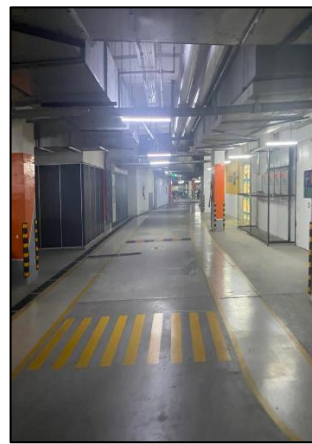
View of DG Room Tower 4 ,5 & 6



Internal View of Plant Room Tower 4, 5 & 6



View of Power Back-Up



Internal view of Tower 6



Internal View of Lobby



View of Amenity Block-2

**Annexure 5: Statement of Key assets**

Building	No/Name	B1	B2	B3	B4	B5	B6	B7	B8	B9	B10	B11
No of DG Capacity	kVA	3 x 1500 kVA, 1 x 750 kVA		4 x 1500 kVA		6 x 1500 kVA			7 x 1500 kVA			3 x 2000 kVA
No of Transformer/Capacity	kVA	2 x 1500 kVA, 1 x 1500 kVA		3 x 1500 kVA		4 x 2000 kVA			3 x 2000 kVA, 1 x 1500 kVA			2 x 2250 kVA
Chiller Rating	TR	3 x 400 TR		4 x 400 TR		5 x 500 TR			4 x 500 TR			3X750 TR
Cooling Tower	TR	DG: 4 x 250 TR, HVAC: 3 x 400 TR		DG: 4 x 250 TR, HVAC: 4 x 400 TR		DG: 6 x 250 TR, HVAC: 5 x 600 TR			DG: 7 x 250 TR, HVAC: 5 x 500 TR			DG: 1 x 200 TR, 1 x 400 TR, HVAC: 3 x 750 TR
FF System (Pumps & Engine)	KW/HP	Jockey: 2 x 15 HP, Sprinkler: 1 x 120 HP, Hydrant: 1 x 120 HP, Curtain Pump: 1 x 30 KW, Diesel Engine: 1 x 127 HP										Jockey: 2 x 25 HP, Sprinkler: 1 x 240 HP, Hydrant: 1 x 240 HP, Curtain Curtain Pump: 1 x 45 KW, Diesel Engine: 1 x 254 HP CurtainDiesel Engine: 1 x 72 HP
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic: 2 x 4 KW, Flushing: 2 x 5.5 KW	Domestic: 2 x 4 KW	Domestic: 2 x 5.5 KW	Domestic: 2 x 7.5 KW	Domestic: 2 x 9 KW, Flushing: 2 x 7.5 KW	Domestic: 2 x 15 KW, Flushing: 4 x 7.5 KW		Domestic: 2 x 7.5 KW	Domestic: 2 x 15 KW	Domestic: 2 x 11 KW, Flushing: 2 x 11 KW	Domestic: 2 x 11 KW, Flushing: 2 x 11 KW
STP Rating	KLD	300 KLD * 1				300 KLD * 2			300 KLD * 2			
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell

Source: Client

**Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

**Approvals Received**

- a) Building Plan Approvals for all existing/ under-construction buildings and amendments thereof
- b) Full Occupancy Certificate received for all the operational buildings.
- c) Consent to Establish (CTE)
- d) Environment Clearance Certificate
- e) Fire NOC
- f) Height clearance NOC from AAI
- g) Consent to Operate (CTO)

**Approvals Pending**

Approvals for Future Development Area

**Annexure 7: Ready Reckoner Rate for Built Up area and Land area.**

**Ready Reckoner Rate**

प्लॉट-1 में आवंटित किया गया सी-कोड	सैक्टर का क्रमांक	समस्त श्रेणी की अकुषक भूमि जिनका भू प्रयोजन प्राधिकरण द्वारा सुनिश्चित है की दरें प्रति वर्गमीटर रुपये में									एकल से विपणन (प्लॉट-कोड) वाणिज्यिक सम्पत्ति की निर्धारित दर कार्पेट एरिया प्रति वर्गमीटर में					
		A			B			C			प्राधिकरण से आवंटित वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्यालय व गोदाम की दर कार्पेट एरिया प्रति वर्गमीटर निर्धारित दर			प्राधिकरण से आवंटित गैर वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्यालय व गोदाम की दर कार्पेट एरिया प्रति वर्गमीटर निर्धारित दर		
		भूखण्ड आवासीय प्रयोजन			भूखण्ड वाणिज्यिक प्रयोजन			भूखण्ड औद्योगिक प्रयोजन								
		i	ii	iii	i	ii	iii	i	ii	iii	दुकान	कार्यालय	गोदाम व अन्य	दुकान	कार्यालय	गोदाम व अन्य
		12 मी० से अधिक किन्तु 18 मी० तक चौड़ी सड़क पर	18 मी० से अधिक किन्तु 24 मी० तक चौड़ी सड़क पर	24 मी० से अधिक चौड़ी सड़क पर	100 वर्ग मी० तक	100 वर्ग मी० से अधिक 1000 वर्ग मी० तक	1000 वर्ग मी० से अधिक 10000 वर्ग मी० तक	4000 वर्ग मी० तक से अधिक	4000 वर्ग मी० से अधिक 20000 वर्ग मी० तक	20000 वर्ग मी० से अधिक 60000 वर्ग मी० तक						
0138	130	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0139	131	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0140	132	55150	57750	60400	240000	196000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0141	133	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0142	134	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0143	135	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0144	136	55150	57750	60400	240000	196000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0145	137	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0146	138	42000	44000	46000	240000	196000	148000	15000	14500	13000	222000	171800	165900	157500	152250	147000
0147	139	42000	44000	46000	240000	196000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0148	140	42000	44000	46000	240000	196000	148000	15000	14500	13000	222000	171800	165900	157500	152250	147000
0149	140 A	42000	44000	46000	240000	196000	148000	15000	14500	13000	222000	171800	165900	157500	152250	147000
0150	141	42000	44000	46000	240000	196000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0151	142	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0152	143	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0153	143 B	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500

सहायक महानिरीक्षक निबंधन (प्रथम)  
गौतमबुद्धनगर।

अपर जिलाधिकारी(वित्त एवं राजस्व)  
गौतमबुद्धनगर।

जिलाधिकारी  
गौतमबुद्धनगर।



सोफ्टवेयर में आधारित रिपोर्ट ग्राफ	सेक्टर का क्रमांक	वर्ष या नाम, छप निकाला, कार्यालयों से क्षेत्रीय व राष्ट्रीय के अनुसार	मुख्यध आवासीय प्रोजेक्ट, 12 मीटर एक चौड़ी सड़क पर (बिचिक देर)	कारिमिला प्रोजेक्ट, 10000 वर्ग मीटर से अधिक को मुख्यध के लिए	औद्योगिक प्रोजेक्ट 80000 वर्ग मीटर से अधिक को मुख्यध के लिए	ग्राम विकास हेतु निर्धारित दर	इतिहास द्वारा समझता प्रोजेक्ट हेतु निर्धारित मुख्यध की दर सम्मानित करने के प्रोजेक्ट के प्रकार पर	विकास योजनाओं के अनुसार आधारभूत ढांचा / रेलवेवेग / जलिन सेवा उपकरणों के बिना पुराने / नए ठोकाई / अर्थव्यवस्था / बायोटेक वर्क हेतु मुख्यध	कार्यक्रम उपयोग का मुख्यध	सर्वकारी / टैलीकोम सेंसर / पोस्ट-प्रॉडिज / विस्तार तंत्र स्टेशन - नेटवर्क द्वारा आधारित क्षति भूमि पर काम होकर	अर्द्धसंस्कारी / डिजाइन जारी / सुपरबाजार / ग्राम / समीचीन एवं कंस विचार संकेत
0123	115	तृतीय	40000	121000	-	58000	-	60000	-	-	
0124	116	प्रथम	44000	121000	-	-	-	65000	-	-	
0125	117	द्वितीय	44000	121000	-	75000	-	65000	-	-	
0126	118	तृतीय	44000	121000	-	-	-	65000	-	-	
0127	119	प्रथम	52500	143000	-	94000	-	78500	-	-	
0128	120	द्वितीय	52500	143000	-	94000	-	78500	-	-	
0129	121	तृतीय	52500	143000	-	94000	-	78500	-	-	
0130	122	प्रथम	72000	143000	-	-	-	107500	-	-	
0131	123	द्वितीय	52500	121000	-	-	-	78500	-	-	
0132	124	तृतीय	103500	159000	-	-	65000	155000	-	-	
0133	125	प्रथम	52500	121000	-	-	28000	155000	-	-	
0134	126	द्वितीय	52500	121000	-	-	28000	155000	-	-	
0135	127	तृतीय	52500	121000	-	-	28000	155000	-	-	
0136	128	प्रथम	52500	159000	-	-	-	78500	-	-	
0137	129	द्वितीय	52500	159000	-	-	-	78500	-	-	
0138	130	तृतीय	52500	159000	-	-	-	78500	-	-	
0139	131	प्रथम	52500	159000	-	-	-	78500	-	-	
0140	132	द्वितीय	52500	121000	-	-	28000	78500	-	-	
0141	133	तृतीय	52500	159000	-	-	-	78500	-	-	
0142	134	प्रथम	52500	159000	-	-	22000	78500	-	-	
0143	135	द्वितीय	52500	159000	-	84500	28000	78500	-	-	
0144	136	तृतीय	52500	121000	-	-	28000	78500	-	-	

साहायक महानिरीक्षक निबंधन (प्रथम)  
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जिलाधिकारी  
गौतमबुद्धनगर।

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#### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by client, following major repairs/ upgrades have been taken up in the past:

- Improved amenity offerings by setting up two amenity blocks including a large food court to make it an attractive office campus for large tenants; and
- Improved the ingress-egress of the Subject Property through widening and refurbishment of the SEZ gates, upgraded parking systems to RFID based systems and upgraded electromechanical equipment.



## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited





information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LOE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.

# **VALUATION REPORT**

## **Worldmark (Tower 1), Aerocity District - DIAL, NCR**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**





## **Disclaimer**





*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> August 2024 to Letter of Engagement ("LOE") dated 23<sup>rd</sup> December 2022 & addendum to LOE dated 22<sup>nd</sup> September 2023 without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23<sup>rd</sup> December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

Worldmark 1, Aerocity District (DIAL), NCR		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	 <p>External View of the Subject Property</p>
<b>Site Visit Date:</b>	22 <sup>nd</sup> April 2024. (Subsequently no site visits have been conducted)	
<b>Valuation Methodology:</b>	Discounted Cash Flow using Rental Reversion	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014	 <p>Internal View of the Subject Property</p>
<b>Location / Situation:</b>	<p>Worldmark 1 (herein after referred to as Subject Property) is located in Aerocity District, Delhi International Airport Limited (DIAL) (herein after referred to as “Subject Micro Market”), New Delhi, NCR</p> <p>The Subject Property is in proximity to the Indira Gandhi International Airport. The Subject Property is accessible via Aerocity road which further connects it to National Highway 48 and makes it well connected to all key nodes of Delhi NCR.</p> <p>The Subject Property lies in close proximity to key office and residential clusters of NCR i.e., Gurugram and Delhi which makes the Subject Micro Market, a prominent office destination for major office occupiers. The Subject Micro Market is also a hospitality hub of NCR.</p> <p>The profile of surrounding development for the Subject Property constitutes prominent hotel developments like JW Marriott Hotel, Holiday Inn, Red Fox Hotel, Lemon Tree Hotel, Roseate House, Holiday Inn, Novotel etc.</p>	
<b>Description:</b>	<p>The leasable area of the Subject Property is 6,07,892 sq. ft. and its committed occupancy* is 99.45%. The bifurcation of office and retail area is as follows: Office leasable Area: 513,776 sq. ft. Retail leasable Area: 94,116 sq. ft.</p> <p>Based on lease deed signed with Delhi International Airport Private Limited, we understand that the Subject Property’s land is held on a leasehold basis, with the lease set to expire in the year 2066.</p> <p>Worldmark Tower 1 along with Tower 2 and 3 are prime front office assets.</p> <p>The Subject Property is an office cum retail development, with two basements, lower ground, ground and six floors. The ground floor and lower ground floor of the Subject Property is primarily dedicated for Foods &amp; Beverages (F&amp;B)); some area is also given to a few retail brands. The Subject Property along with Worldmark 2 and 3 are the only prominent commercial developments in the Subject Micro Market which provides office space on lease.</p> <p>The prominent office tenants in Subject Property are Ernst &amp; Young, Cowrks India, SAEL Industries Limited, GSTN, Rattan India Power Ltd.,</p>	 <p>Primary access road of the Subject Property</p>  <p>View of NH -48 (Secondary access road)</p>



	<p>etc. Some of the prominent F&amp;B and retail tenants are: Bikanerwala, DragonFly, Punjab Grill, Da Milano, Chaayos, Social, etc.</p> <p>The Subject Property also provides the car stacker parking lift facility at the basement one and two which allows to park multiple cars. The total parking slots in the Subject Property are 1,190.</p>	
<b>Total Area:</b>	<p>Total Land Area: Approx 3.1 acres</p> <p>Office leasable Area: 513,776 sq. ft.</p> <p>Retail leasable Area: 94,116 sq. ft.</p> <p>Total Leasable Area: 6,07,892 sq. ft.</p>	

*Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable area.*

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building (Worldmark 1)	30 <sup>th</sup> September 2024	INR 16,909 Million	Indian Rupees Sixteen Billion and Nine Hundred Nine Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed, or considered in isolation from the full report



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Property:** Worldmark (Tower 1), Aerocity District, DIAL, NCR

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in DIAL (hereinafter referred to as “Subject Property” and/or “Worldmark 1”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L Anuradha is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her bachelor’s in architecture in 2002 and master’s in planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation, and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala, and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT Micro Markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

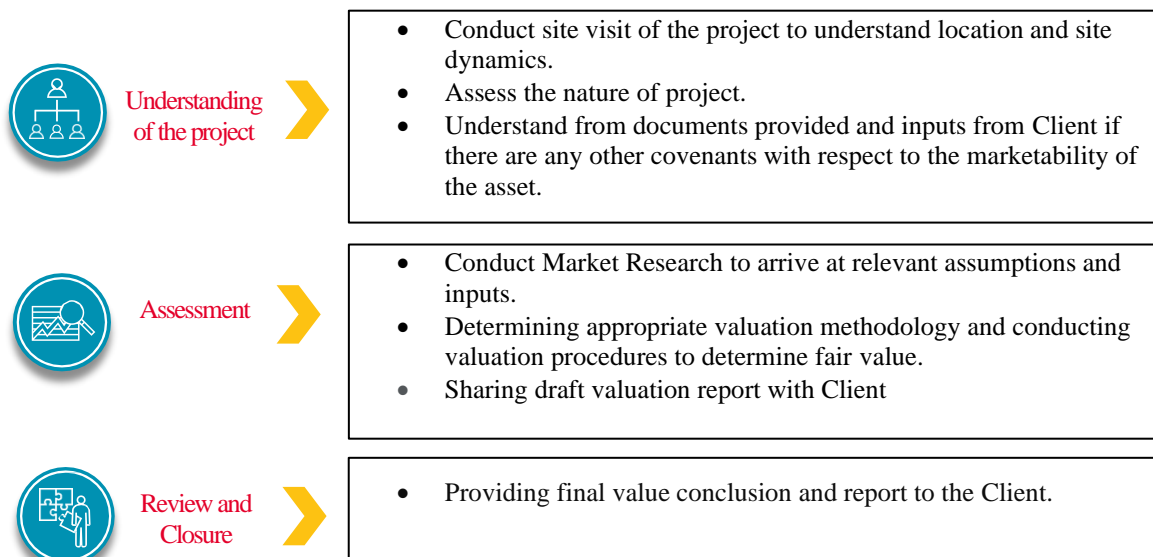
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

## 5 Basis of Valuation

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as ‘*The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*’

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same may be derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the Subject Property.

***For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.***

## **7 Assumptions, Departures and Reservations**

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock - in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## **8 Inspection**

The Property was inspected on 22<sup>nd</sup> April 2024 by the Valuer (Subsequently no further site visit has been conducted). No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the applicable law.



## 11 Authority

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by him due to such usage other than for the purpose as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in her favor, reasonably satisfactory to him for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report..

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement is extended to **Brookprop Management Services Private Limited ("Brookprop" or "The Manager")**, the **Brookfield India Real Estate Trust ("Brookfield REIT")** and their unit holders and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The auditors, debenture trustees, stock exchanges, unit holders of the REIT, **Securities and Exchange Board of India (SEBI)**, and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she

shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

#### **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

#### **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants, and undertakes that:

They are familiar with applicable Anti-Corruption Laws under this Agreement including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case she is insisted upon or asserted by the Client to violate any of the above said undertakings in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate this Agreement without any liability or obligation on his part.

Such termination of this Agreement shall not in any way prejudice the rights and obligations (including payment for the services delivered under this Agreement) already accrued to the Valuer, prior to such termination.

## **B NATIONAL CAPITAL REGION OVERVIEW**

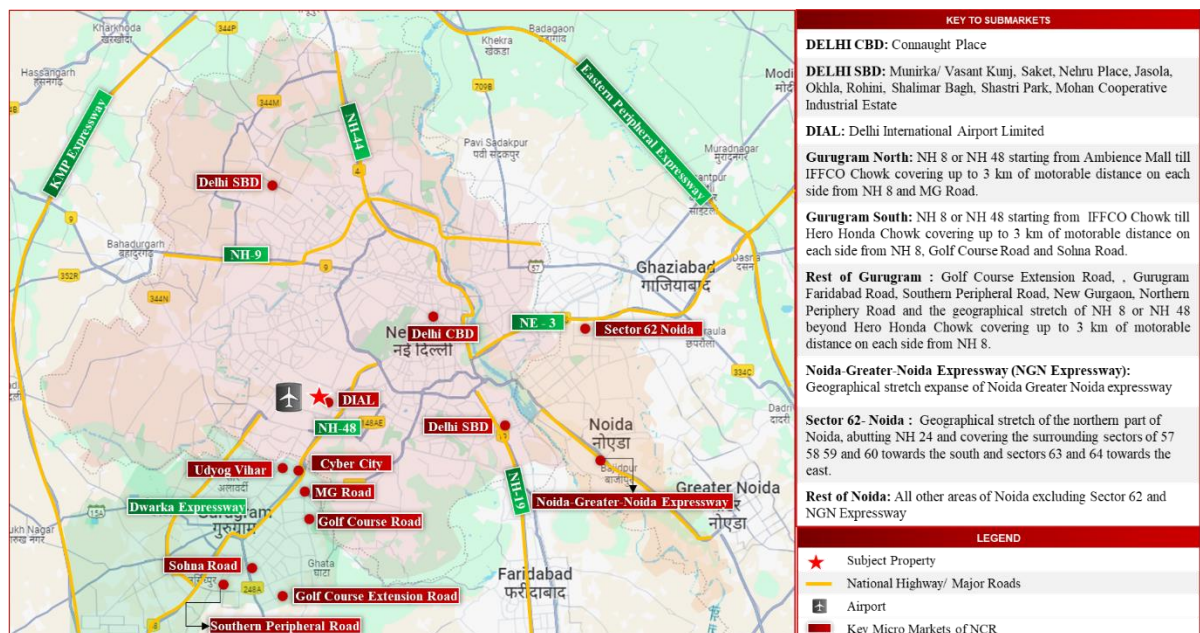


For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out Industry and Market Report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (*Source: www.un.org*). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh, and Rajasthan. In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



*Source: Cushman and Wakefield Research*

*(Map not to scale)*

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Rest of Gurugram)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida–Greater Noida (NGN) Expressway & Rest of Noida)
4. Delhi International Airport Limited (DIAL)



The table below highlight the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL*	Gurugram	Noida
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%
<b>Avg. Annual Absorption CY 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16
<b>Future Supply Q4 CY 2024 E – CY 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55

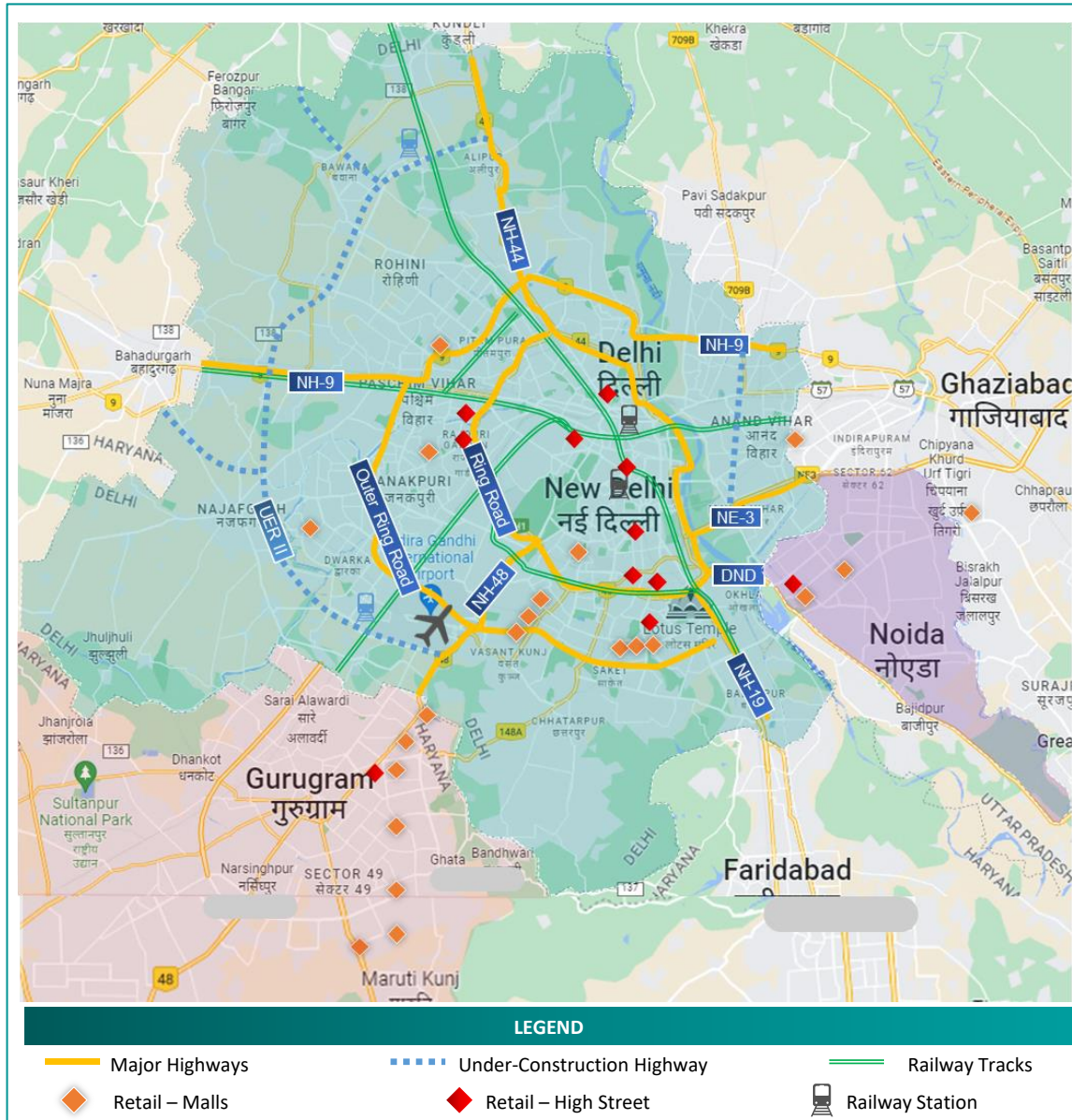
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \* Brookfield India REIT's city market or Subject Micro Market for Subject Property.
4. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
5. Vacancy and Net Absorption numbers are computed on the relevant stock.
6. The future supply estimates are based on analysis of proposed and under construction buildings.
7. The net absorption value refers to the net additional leasing activity which has occurred in the year and excludes precommitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
9. Rentals presented above are quoted weighted average values on completed stock.

## Retail

National Capital Region (NCR) has become one of the largest retail markets in India. Delhi NCR offers a variety of retail formats with major chunk of supply concentrated in Delhi, Gurugram and Noida. The successful launch of three-office REITS in the Indian market paved way for first retail REIT, backed by Blackstone in 2023. The Retail landscape of the NCR is presented in the map below:



Source: Cushman and Wakefield Research  
(Map not to scale)

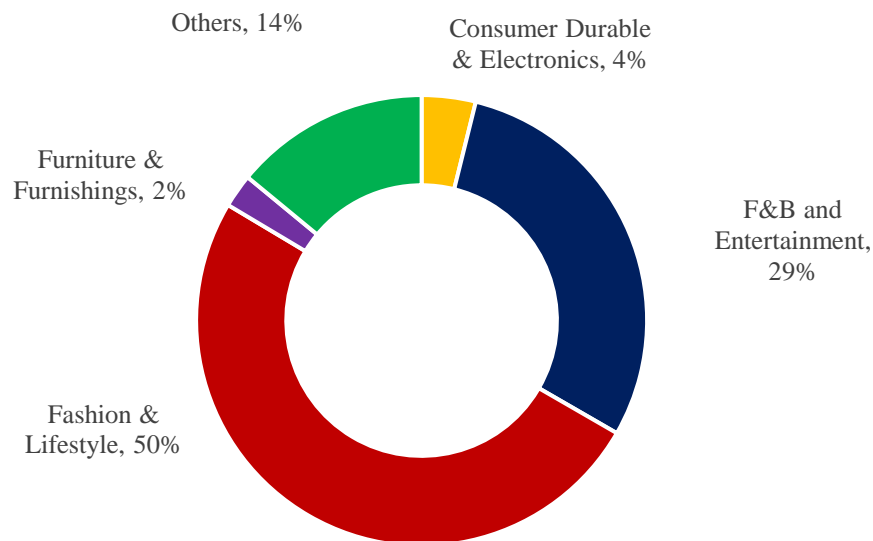
In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. Delhi NCR has adeptly embraced and accommodated this evolving trend. This significant change is indicative of a broader transformation in the retail landscape, driven by evolving consumer expectations, lifestyle choices, and a desire for more personalized and community-oriented experiences.

In urban centres around the world, F&B culture has emerged as a dominant force reshaping the retail landscape. Consumers, especially the working population, are increasingly prioritizing such experiences. They seek out dining experiences that also provide social interaction, entertainment, and an escape from their day-to-day life.

In Delhi-NCR specifically, traditional malls and high streets have focused on fashion ware. However, new establishments in Delhi-NCR have increasingly focused on creating specific F&B oriented spaces in order to create a unique and authentic dining experience for the visitors. Case in point, major retail destinations of Delhi-NCR today like DLF Cyber Hub (Gurugram), Worldmark Aerocity (Aerocity District), 32nd Milestone (Gurugram), Advant Navis (Noida) are primarily F&B focused destinations. Even large traditional malls like DLF Avenue (Delhi) and Gardens Galleria (Noida) have experienced expanding F&B areas.

The prominence of F&B can be seen in the sectoral chart of NCR below:

**NCR Sectoral Absorption (CY 2017 - 9M CY 2024) ~ 11.9 msf**



*Source: Cushman and Wakefield Research*

*Note: The data presented in the above chart is a representative data set of the major lease transactions that have happened since 2017.*

As illustrated in the chart above, F&B and entertainment tenants have contributed to 29% of the retail absorption from CY 2017 till 9M 2024. F&B and entertainment is the largest contributor after Fashion & Lifestyle.

The key drivers of demand for retail space in NCR are as follows:

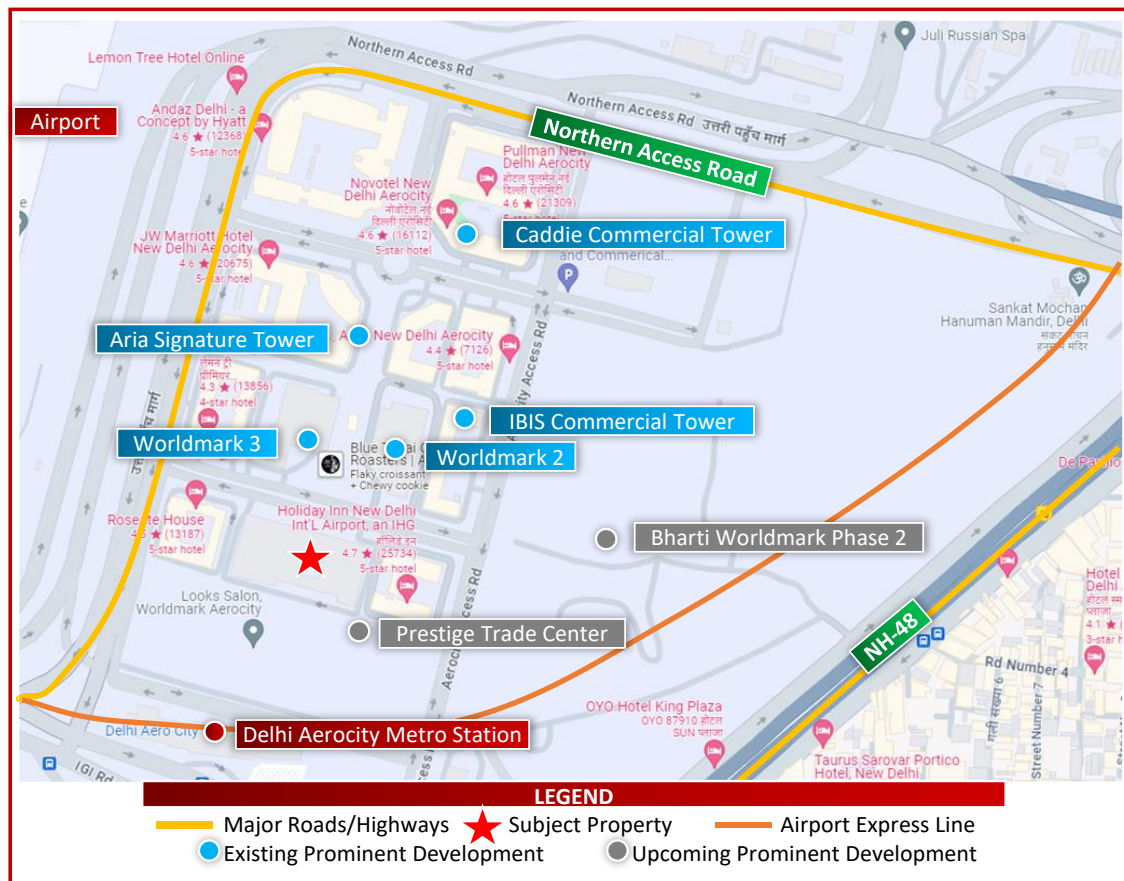
1. **Proximity to prominent residential nodes** - Malls located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor significantly enhances footfall and patronage. As residents are aspiring to a higher quality of life and modern amenities, retail developments are becoming integral to fulfilling their lifestyle aspirations.
2. **Lifestyle and Entertainment** – Gen Z and Millennial population today are increasingly on the lookout for destinations for shopping and entertainment. These people today enjoy higher disposable income and spending confidence. Retail developments with large entertainment spaces, multiplexes, salons, etc. attract higher footfall from this segment.
3. **Presence of office development** - Presence of social and lifestyle infrastructure near the office premises is more preferred by the working population. These amenities cater to the needs and preferences of the working population, providing opportunities for socializing, relaxation, and leisure activities. A retail development with F&B structure contributes to a better work-life balance for employees as they can easily unwind, socialize, or engage in recreational activities after work without having to commute far. Further, this provides convenient venues for informal business meetings, networking events, and client lunches.

## 2 Brookfield India REIT's City Market- Delhi International Airport Limited

The Subject Property along with Worldmark 2 & 3 is a leasehold Grade-A asset located in Aerocity District (DIAL) or Airport District Micro Market of NCR. It has access to well-planned infrastructure and lies in proximity to International Airport.

### 2.1 Overview

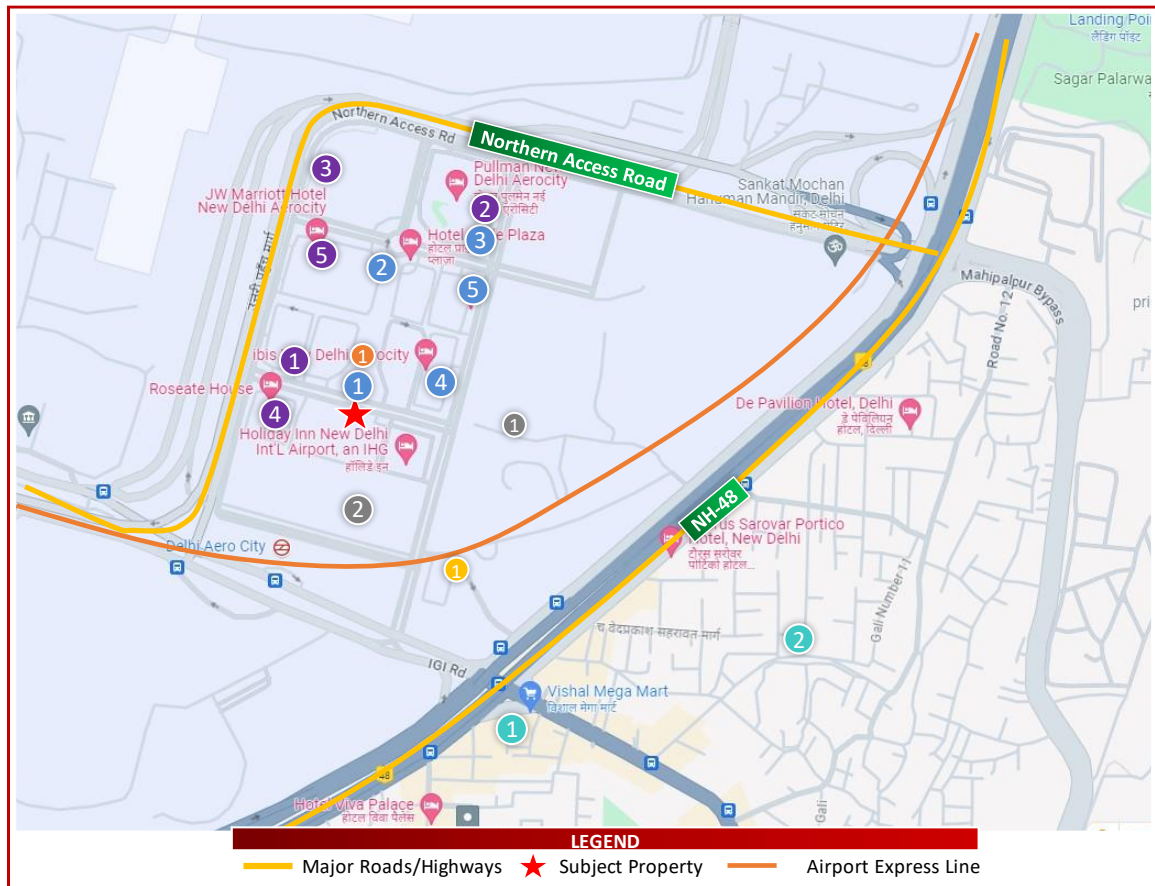
DIAL (Delhi International Airport Pvt. Ltd.) often called as Aerocity District, is a designated commercial and hospitality area established by GMR in collaboration with Airport Authority of India (AAI), Fraport AG & Eraman Malaysia. AAI has granted DIAL to develop and modernize Delhi International Airport, which includes development of 45 acres of prime land for hospitality, commercial and retail space. The development at DIAL started with the hospitality cluster in year 2013. The Subject Micro Market then witnessed office and retail supply in year 2015 primarily via Worldmark 1,2 and 3. The below map presents the location overview of the Aerocity District (DIAL):



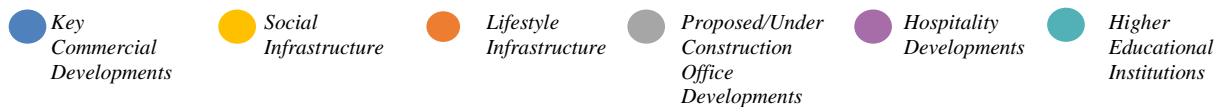
Source: Cushman and Wakefield Research  
(Map not to scale)



## 2.2 Social Infrastructure



Source: Cushman & Wakefield Research  
(Map not to scale)

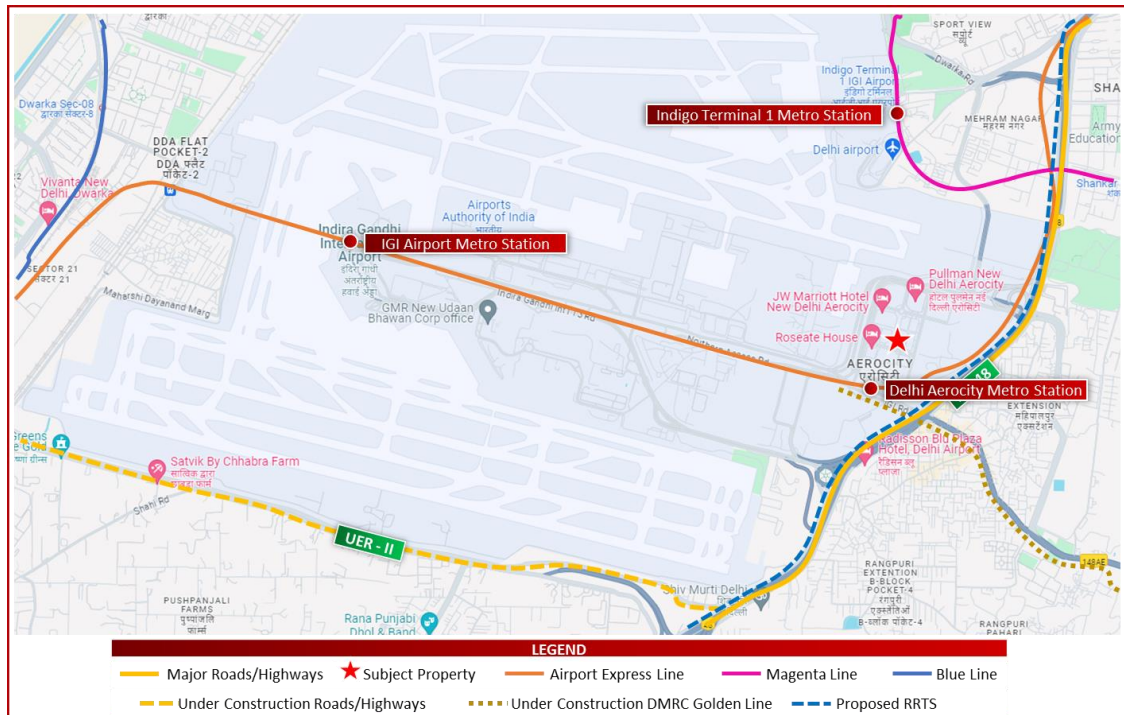


anKey Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposes/Under Construction Office Developments	Hospitality Developments	Higher Education Institutes
1) Worldmark 2 & 3	1) Om Hospital (1.4 km)	1) Worldmark 2 & 3	1) Worldmark Phase 2 (adjacent to Subject Property)	1) Lemon Tree Premier (220 m)	1) KPS Convent School (1.1 km)
2) Aria Signature Tower (400 m)			5) Prestige Trade Centre (adjacent to Subject Property)	2) Pullman (700 m)	2) Shalimar Public School (1.4 km)
3) Caddie Commercial Tower (600 m)				3) Hyatt Delhi Residences (550 m)	
4) Ibis Commercial Tower (350 m)				4) Roseate house (200 m)	



5) OSE Commercial Block (650 m)				5) JW Marriot Hotel (400 m)	
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## 2.3 Physical Infrastructure



Source: Cushman & Wakefield Research  
(Map not to scale)

Aerocity District (DIAL) is well connected to key nodes of NCR through road (NH-48) and Metro rail facility. The nearest metro stations to the Subject Property are Delhi Aerocity Metro Station (part of Airport Express Line) and IGI Airport Metro Station (part of Magenta Line).

Also, the under-construction Delhi Metro golden line (formerly known as silver line) will connect Delhi Aerocity Metro Station to Tughlakabad Metro Station and shall result in enhancing the connectivity of Aerocity District (DIAL) to interior parts of Delhi.

Further, the elevated corridor from INA connecting East Delhi, Central Delhi, South Delhi to IGI Airport and Rangpuri Bypass – Tunnel connecting Nelson Mandela Marg to Shiv Murti Interchange are some of the planned infrastructure developments in the Subject Micro Market.



## 2.4 Real Estate Overview

**Hospitality:** The development at Aerocity District (DIAL) started with the hospitality cluster in year 2013 with JW Marriott as the first hotel development in the Subject Micro Market. Over the last few years, DIAL has emerged as a premium destination for hospitality and commercial development in NCR. This can be attributed to its strategic location i.e., proximity to the Indira Gandhi International Airport, and NH-48. With the presence of hospitality developments such as Novotel Hotel, Pride Plaza, Lemon Tree. Premier, Red Fox Hotel, Aloft, Roseate House, Holiday Inn etc, DIAL is known as a hospitality hub of NCR with demand primarily driven by air traffic and Gurugram.

In 2015, the Subject Micro Market experienced the introduction of office and retail supply primarily through Worldmark 1, 2, and 3

**Retail:** The retail landscaping of Aerocity District (DIAL) is limited supporting retail structures which primarily consist of coffee shops and lounges located within the hotels. These establishments cater primarily to travellers waiting for flights or those staying in the hotels. The Subject Property is the only prominent retail development offering a range of dining options, coffee shops and stores.

**Office:** DIAL has witnessed very limited office supply since inception. The Subject Property along with Worldmark 2 and 3 are the only prominent development which offers large integrated office development for the occupiers. DIAL stands out as a premium office micro market and one of the best performing in terms of growth across all the NCR micro markets.

## 2.5 Office Overview – DIAL

The Subject Micro-Market offers 100% Non – IT Grade A office developments. The key office statistics for the Subject Micro Market are as follows:

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 1.51 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 1.41 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 6.9%
<b>Avg. Annual Net Absorption (CY 2022 – 9M CY 2024)</b>	Approximately 0.06 msf
<b>Future Supply (Q4 CY 2024 E – CY 2026 E)</b>	Q4 CY2024E: NIL CY 2025E: Approximately 1.1 msf CY 2026E: Approximately 2.3 msf

Source: Cushman and Wakefield Research

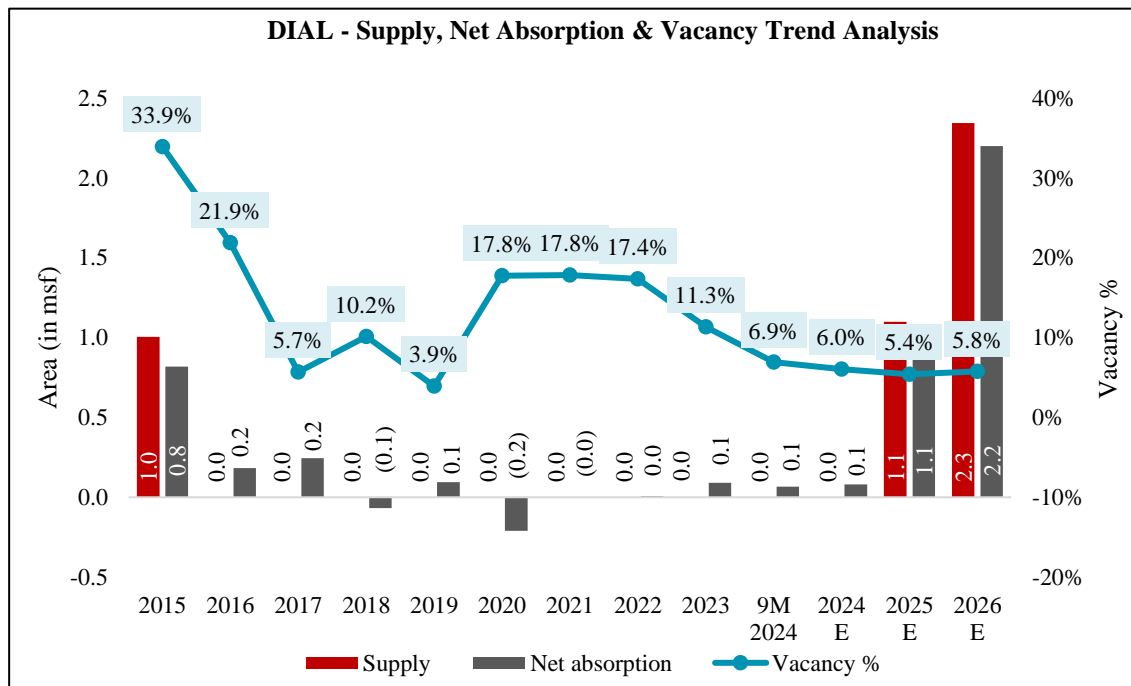
Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The key drivers of demand for office space in Aerocity District (DIAL) are as follows:

- **Connectivity and linkages:** Aerocity District (DIAL) is well connected to other nodes of NCR via robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International airport:** Aerocity District (DIAL) is in close proximity to airport and hence attracted the occupier base. Its closeness to airport helped it grow at a very fast pace.
- **Presence of modern infrastructure:** Majority of the infrastructure in the Subject Micro Market is newly developed with innovative technology and modern design, thus, making it an address for the occupiers.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan, and Uttar Pradesh:** As the Subject Micro Market is accessible through multiple modes of transportation and is in close proximity to key residential clusters of NCR, it attracts talent pool from all adjoining locations.

## 2.6 Supply, Net Absorption & Vacancy



The supply, net absorption & vacancy trend for Aerocity District (DIAL) is as follows:

Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above chart.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
3. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy, and estimated supply.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

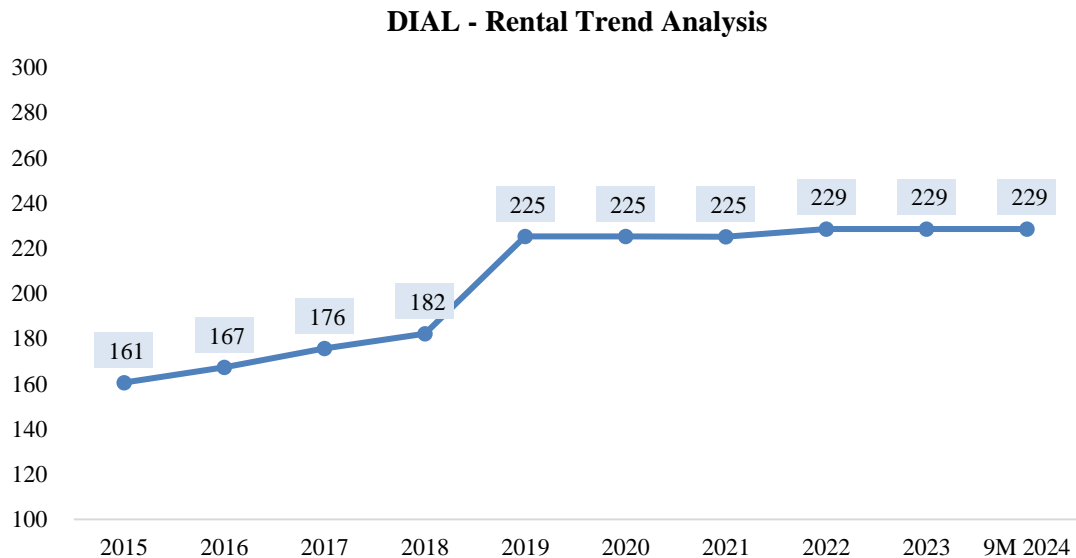
Aerocity District (DIAL) demand has outpaced supply since 2015 resulting in a steep vacancy decline to approximately 3.9% as of CY 2019. The Subject Micro-Market benefits the occupiers and their employees due to its proximity to IGI Airport and excellent integration of office, hospitality, F&B, and retail development.

The effect of COVID-19 was visible with negative net absorption resulting in increase of vacancy levels to approximately 18% in CY 2020. The market saw a surge in absorption starting CY 2023 pushing the vacancy levels towards south and reaching at approximately 6.9% as of 9M CY 2024.

The quality of upcoming developments (like Worldmark Phase -2 and Prestige Trade Centre), locational advantage, availability of lifestyle infrastructure will continue to drive the demand for the Subject Micro Market over the coming years.

## 2.7 Rental Trend Analysis

The rental trend for DIAL is as follows:



Source: Cushman and Wakefield Research

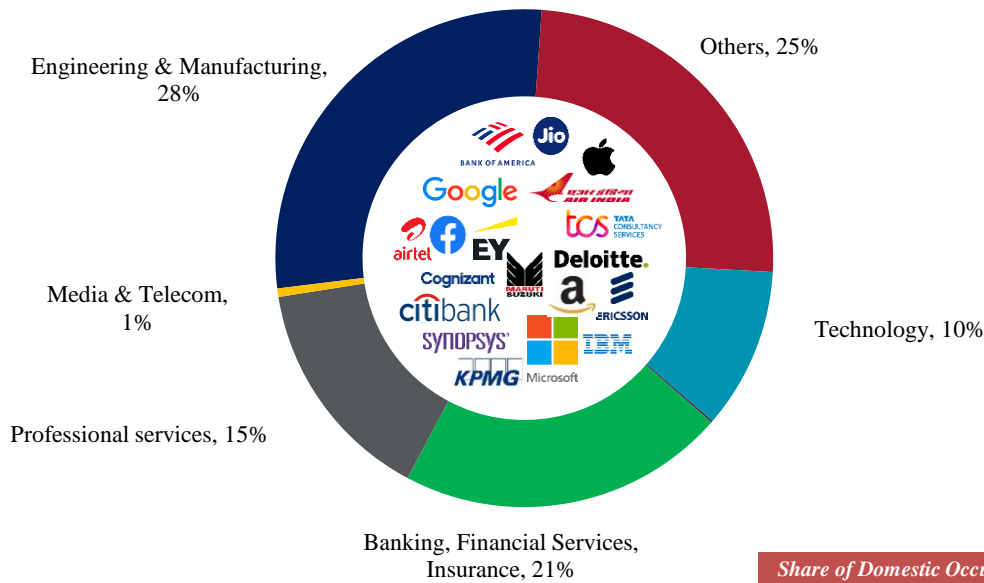
Notes:

1. Only Grade A relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across DIAL.
2. The quoted rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals presented above are weighted average values on completed stock.

The office supply has remained highly limited in the Subject Micro Market and on the contrary demand has always remained strong. The Subject Micro Market is the best performing office market in terms of growth across all the NCR micro market. The profile of the Subject Micro Market has added to its address value resulting in above average rental growth rate viz. a CAGR of 8.7% from CY 2015 till CY 2019 and maintaining even through the Covid years.

## 2.8 Sectoral Demand Analysis - (CY 2015 – 9M CY 2024)

### Key Industries Presents in DIAL (CY 2015 – 9M CY 2024 ~ 1.45 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of DIAL's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Aerocity District (DIAL) is dominated by Engineering & Manufacturing Services, BFSI and Professional services sector which together contributes approximately 64% of the leasing activity for the years CY 2015 – 9M CY 2024. The tenants are attracted to the Subject Micro Market due to availability of good physical and social infrastructure. The occupiers from any sector typical have their front offices, business teams sitting out of Aerocity. The mix of foreign vs. domestic occupants in DIAL is 65:35.

## 2.9 Retail Overview - DIAL

The retail landscaping of Aerocity District - DIAL (Delhi International Airport Limited) largely constitutes Food & Beverages including coffee shops, restaurants, clubs, and lounges. Worldmark Towers 1,2 and 3 are the only prominent retail development offering the said range.

The demand drivers of Aerocity District (DIAL) located near the Delhi Airport, are influenced by various factors that attract visitors and tenants:

- 1. Footfall:** The major footfall comes from corporate offices, hotels, and business centers present in the Worldmark Towers which is a major commercial development present in the micro-market. Moreover, it caters the dining and leisure demand of travellers arriving or departing from Delhi Airport.
- 2. Competitors/Similar Projects:** The formation of Aerocity District (DIAL) is similar to Cyber Hub and One Horizon Center in Gurugram where office developments are integrated with supporting retail on the ground floor consisting premium retail outlets and fine dining options. The F&B options not only caters the demand generated by office occupants in the development, but other people also witness the catchment from visitors who come for shopping and dining, particularly on weekends for families gathering/leisure activities.
- 3. Proximity to residential zones of Delhi and Gurugram:** Retail developments located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor significantly enhances footfall and patronage. As residents are aspiring to a higher quality of life and modern amenities, retail developments are becoming integral to fulfilling their lifestyle aspirations.



In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. The table below highlights prominent retail developments (in F&B format) which follow similar retail format like Subject Property.

S.No.	Project Name	Location	Completion Year	GLA (in million sq. ft. (msf.))	Vacancy % (9M 2024)	Average Current Quoted Rental Range (Ground Floor – Vanilla)	Major Tenants
1	DLF Cyber Hub	Sector 24, Gurugram	2013	0.49 msf	0 – 1%	225 – 250	Decathlon, Uniqlo, Marks & Spencer, Nike, Modern Bazaar
2	Worldmark Aerocity	Aerocity District	2015	0.15 msf	3 – 5%	180 - 190	DragonFly, Plum by Bent Chair, Farzi Cafe
3	One Horizon Centre	Sector 43, Gurugram	2018	0.06 msf	0 – 1%	180 – 190	Cozy Box, Delhi Club House, Hahn's Kitchen, Brew Dog



### **3 Market Outlook**

The Subject Property along with Worldmark 2 and 3 is a leasehold property spread over a land area of approximately 7.6 Acres located in the Aerocity District or Airport District (DIAL). The Subject Property is prime front office asset and the only prominent developments in the Subject Micro Market which offers large integrated office development for the occupiers.

The Subject Micro Market has performed well amongst all the micro markets of NCR. The demand has outpaced supply of in the Subject Micro Market since 2015 resulting in a steep vacancy decline to approximately 3.9 % as of CY 2019. The effect of COVID-19 was visible with negative average net absorption resulting in increase of vacancy levels to approximately 18% from CY 2020. The market saw a surge in absorption from CY 2023 onwards pushing down the vacancy levels towards south reaching the vacancy level to approximately 6.9% as of 9M CY 2024.

The Micro-Market benefits the occupiers and their employees due to its proximity to IGI Airport and excellent integration of office, hospitality, and retail development. Further, with continuous traction from occupiers, the vacancy expected to be rangebound below 6%.

According to the market assessment provided, the current weighted quoted average office market rentals of Subject Micro Market is INR 229 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

According to the market assessment provided, the current weighted quoted average retail market rentals of Subject Micro Market is INR 180 - 185 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Work from home period has also significantly reduced and many organisations have started calling their workforce back to office (specially the front offices). Considering the well-maintained infrastructure, proximity to IGI Airport, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network, the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.





## **C    SUBJECT PROPERTY REPORT**

## **1 Address, Ownership and Title details of the Subject Property**

Address:	Worldmark (Tower 1), Aerocity, New Delhi
Ownership & title details:	Land Tenure: Leasehold ( <i>Leasehold Till 2066</i> ) The development rights of the Subject Property are with Aspen Buildtech Limited.

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Khaitan & Co (Hereinafter referred to as ‘Legal Counsels’). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

## **2 Location**

### **2.1 General**

The Subject Property along with Worldmark 2 and 3 is a leasehold property spread over a land area of approximately 7.6 Acres located in the Airport District, Delhi International Airport Limited (herein after referred to as “Subject Micro Market” or “DIAL” or “Aerocity District” or “Airport District”), New Delhi, NCR. The Subject Micro Market is one of the established office and retail micro-markets of Delhi NCR.

The Subject Property is accessible via Aerocity road which further connects it to National Highway 48 and makes it well connected to all key nodes of Delhi NCR.

Subject Property is in close proximity to existing metro viz. Delhi Aero City Metro Station, which further enhances its accessibility from different parts of NCR. Also, the upcoming silver line which is currently under construction will be connecting Delhi Aero City Metro Station to Tughlakabad Metro Station. This new line will further enhance the connectivity of Aerocity District (DIAL) to interior parts of Delhi.

The Subject Micro Market is also a prominent hospitality hub of NCR. Some of the prominent hotel in the vicinity of the Subject Property includes JW Marriott Hotel, Holiday Inn, Red Fox Hotel, Lemon Tree Hotel, Roseate House, Holiday Inn, Novotel.

The location map of the Subject Property is as follows:



*Source: Cushman and Wakefield Research  
(Map not to scale)*



**Site Boundaries:**

The site boundaries for the Subject Property are as under:

- North: Internal Access Road
- East: Premium Hotel
- West: Premium Hotel
- South: Others Property

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 0.2 km from Aerocity Road
- Approximately 0.8 km from Delhi Aero City Metro Station
- Approximately 01 - 02 km from NH - 8
- Approximately 04 – 05 km from Indira Gandhi International Airport (Terminal 3)
- Approximately 09 - 10 km from DLF Cyber City
- Approximately 15 - 16 km from Connaught Place

## **2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### 3 Subject Property - Asset Description

Worldmark (Tower 1) is a commercial cum retail development having 1 tower. The detail of the building is as follows:

**Completed building with Occupancy Certificate (OC) received.**

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Floor (#)	Status	Expected Completion Date
Tower 1	607,892	6	Completed	NA
<b>Total</b>	<b>607,892</b>			

Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information.

### 3.1 Key Asset Information

**Completed Building with Occupancy Certificates (OC) received.**

Particulars	Details
<b>Entity:</b>	Aspen Buildtech Limited
<b>Asset Type:</b>	Commercial
<b>Sub-Market:</b>	DIAL
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~3.1
<b>Freehold/Leasehold:</b>	Leasehold Land
<b>Leasable Area: (office &amp; retail)</b>	Office – 5,13,776 sq. ft. Retail – 94,116 sq. ft. Total - 607,892 sq. ft.
<b>Occupied Area: (office &amp; retail)</b>	6,04,563 sq. ft.
<b>Occupancy %:</b>	99.45%
<b>Current Effective Rent (excluding parking):</b>	~INR 208 per sq. ft per month (Office only)
<b>Current Effective Rent (excluding parking):</b>	~INR 203 per sq. ft. per month (Office & Retail only)
<b>Number of Tenants:</b>	26 (office) 37 (Retail)

*Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

**Note:**

*Refer company structure set out in (Annexure 2).*

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property is commercial cum retail development, comprising 1 operational building which was physically inspected on 22 <sup>nd</sup> April 2024 (Subsequently no site visit has been conducted).
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational building</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is a commercial cum retail space offering large floor plates and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li><b>Completed/ Operational Building:</b> <p>The operational building Worldmark (Tower 1) with OC received collectively admeasure 607,892 sq. ft. of leasable area.</p> <p>The operational building comprises.</p> <ol style="list-style-type: none"> <li>Office: Worldmark (Tower 1) having leasable area of 513,776 sq. ft. The office tower is occupied by multiple tenants. Major tenants in the Subject Property are Cowrks India, E&amp;Y, SAEL Industries, Greenlam Industries etc.</li> <li>Retail: Ground floor and lower ground floor are dedicated for retail having a total leasable area of 94,116 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B and shopping and convenience store. Some of the prominent retail and F&amp;B tenants are: Bikanerwala, DragonFly, Punjab Grill, Da Milano, Chaayos, Social, etc.</li> </ol> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property has STP and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul> <p><b><u>Awards &amp; Certifications</u></b></p> <ul style="list-style-type: none"> <li>Subject property has been awarded LEED Platinum Rating for sustainability, BEE 5-star rating, Environmental, Best Kaizen for Safety Improvement in CII National Kaizen Circle Competition - Platinum Award, and Best Digitization Kaizen in CII National Kaizen Circle Competition - Gold Award.</li> </ul> <p><b><u>Parking</u></b></p>	



- The Subject Property also provides the car stacker parking lift facility at the basement one and two which allows to park multiple cars in a very limited space.
- The large parking requirement is catered by car stacker parking lift facility having a parking slot contributing to 1,190 parking spaces.

**Other Observations**

- The Subject Property has one entry and one exit points which are managed according to the traffic circulation plan.
- The visual inspection of the building area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- No instances of any major logging or water accumulation were observed during the inspection.
- The utility areas also appeared well maintained, visually.

*Source: Architect's Certificate (30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024.*

**Note:**

- a. *The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*



### 3.3 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the building and related assets were visually inspected to assess the condition of the building and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the Property forming part of the REIT.

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30<sup>th</sup> October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations, and fire safety with respect to specific building in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### 3.4 Tenant Profile

As of 30<sup>th</sup> September, 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~70% of leased area and ~71% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Ernst and Young Services Pvt. Ltd.	95,503
2	Cowrks India Private Limited	55,012
3	SAEL Industries Limited	50,350
4	Greenlam Industries Limited	43,093
5	Goods and Services Tax Network	36,505
6	Rattan India Power Ltd.	36,340
7	Airbus Group India Pvt. Ltd.	31,476
8	DCM Shriram Ltd.	30,190
9	Hitachi India Pvt. Ltd.	27,102
10	Tata Steel Limited	17,126
<b>Total</b>		<b>4,22,697</b>

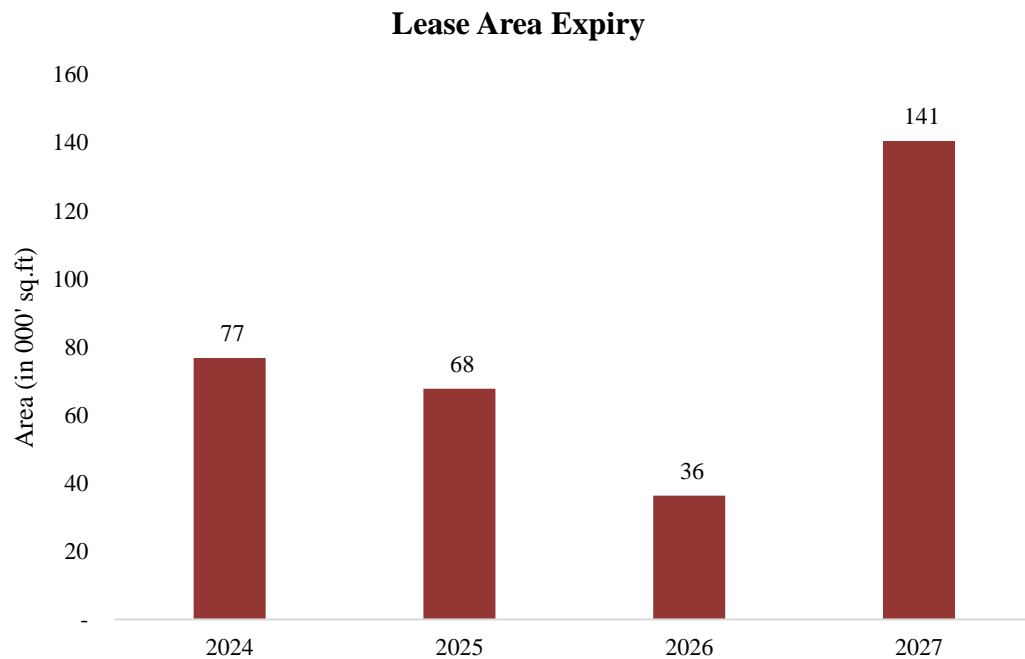
Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Ernst and Young Services Pvt. Ltd.	16%
2	Cowrks India Pvt. Ltd.	10%
3	SAEL Industries Limited	9%
4	Greenlam Industries Limited	8%
5	Goods and Services Tax network	5%
6	DCM Shriram Ltd.	5%
7	Rattan India Power Ltd.	5%
8	Hitachi India Pvt. Ltd.	5%
9	Airbus Group India Pvt. Ltd.	4%
10	Tata Steel Limited	3%
<b>Total</b>		<b>71%</b>

Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 4.4 years, with ~53% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office and retail tenants).



Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents October 2024 to December 2024.



## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-Market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the Micro-Market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of commercial/ IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the Micro-Market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the Micro-Market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).



#### **4.3 Cash Flow Projections:**

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. As the Subject Property is leasehold in nature, these cash flows have been projected for a duration until the land lease for the Subject Property expires. These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over the Subject Property land lease expiry time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period up till Subject Property land lease expiry.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Based on the contractual turnover rent percentage of respective tenants and average tenant sales psf per month, Turnover rent is estimated for each tenant and is compared with the minimum guaranteed rentals in line with the tenant contracts. The higher of the two is adopted for the purpose of estimating cash flows.

**Step 4:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income.

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The quarterly net cash flows over the land lease expiry period of the Subject Property have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

#### **4.4 Information Sources:**

Subject Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30- September-24
Cashflow Period	Years	42
Cashflow Exit Period	End Date	02-May-66

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	607,892
Area Leased	sq. ft.	604,563
Committed Occupancy*	%	99.45%
Vacant Area	sq. ft.	3,329
Vacancy	%	0.5%
Stabilized Vacancy	%	2.5%
Further Leasing	sq. ft.	-
Existing Lease Rollovers	%	98%
Rent Free Period – Existing Leases	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	1,190
Estimated Leasing Period	# of quarters	--

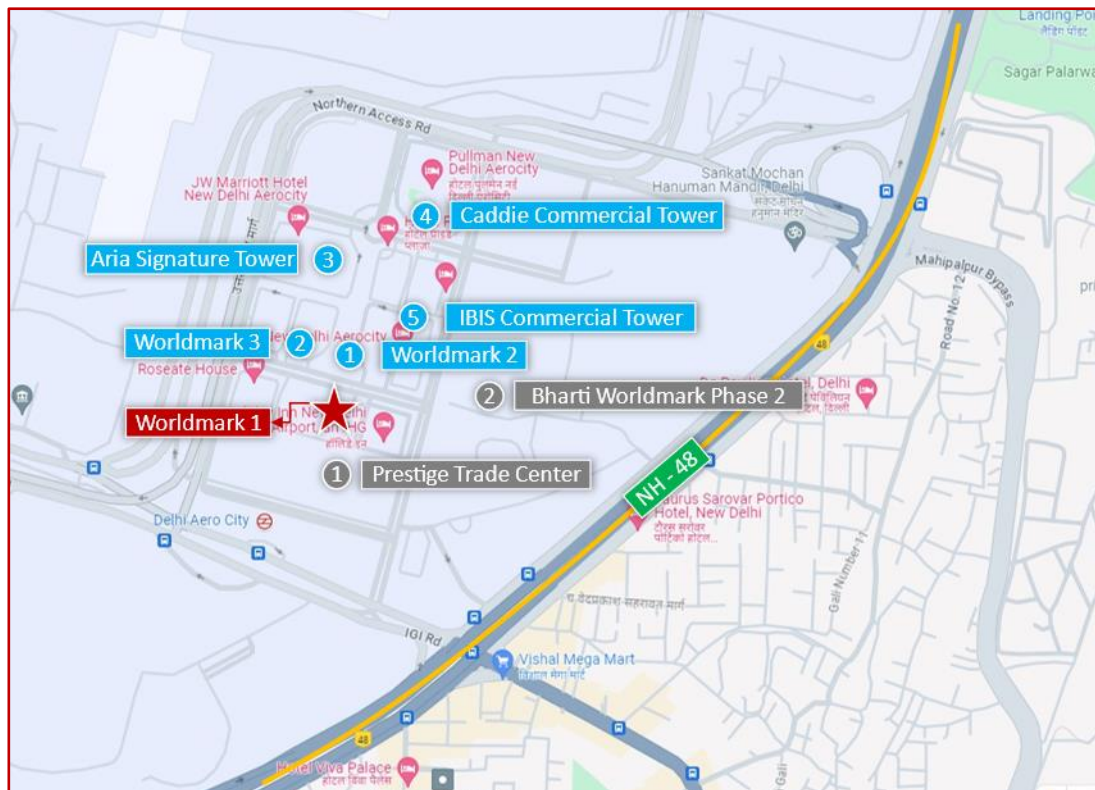
Source: Architect's Certificate (Dated:30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area).

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2022 – 9M 2024, the Subject Micro Market has witnessed an average annual net absorption of approximately 0.06 msf.
  - Going forward, the Subject Micro Market is expected to have an average annual demand of approximately 1.45 msf per annum till 2026E.
  - Currently the Subject Property is 99.45% occupied and stabilised vacancy provision for 2.5% has been assumed. Therefore, there is no area to be further leased in the Subject Property.

**Subject Property and Relevant Existing/Upcoming Supply in the DIAL Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply and grey box signifies upcoming supply.

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 211.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 215.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 180.00
Other Income	Per sq. ft. per month	INR 0.36
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Income Growth Rate –FY 26 onwards (excluding sinking fund)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Income for future leases	Per sq. ft. per month	INR 33.25

- **Market rent – office:**

- Achievable market rent includes parking charges of INR 4 per sq. ft. per month (considering the parking rent of INR 5,000 per slot per month)
- In year FY' 2024, approximately 0.07 msf was leased in the rental range of INR 210 – 215 per sq. ft. per month (including parking).

### Lease Transactions FY' 2023-2024:

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
Professional Services	2024	9,285	215
Professional Services	2024	9,780	212
Professional services	2023	40,570	210
Media & Telecom	2023	7,010	212
Professional Services	2023	4,163	212

*Source: Rent roll as of 30<sup>th</sup> September 2024 and Client Information*

- Considering the location, accessibility, quality, and size of the building, we expect the Subject Property's monthly rental would be INR 215 per sq. ft. per month (inclusive of parking charges) and the same is considered for our calculations.
- **Market rent growth rate:** Considering the current vacancy and future supply profile in the Subject Micro Market, we expect annual growth in achievable market rentals to be in the range of 5% in the medium to long term from FY26 onwards.
- **Other Income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, and other charges. We have considered an annual growth of 5% on other income. Also, other income includes property tax recovery from the tenants as per the contract and the same are escalated at an annual growth rate of 5%.
- **O&M Income:** O&M Income were shared by the Client. O&M income constitutes, O&M Expense and Mark-up of 20% on O&M expense and sinking fund. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Income has been suitably adjusted to normalise it over the future tenure. O&M Income has been





provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards excluding sinking fund.

### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 12.92
Current O&M Expense	Per sq. ft. per month	INR 25.84
Ground Rent/ License Fee	Million	INR 136
Property Tax	Per sq. ft./month	INR 3.06
Cost Escalation	% p.a.	5.0%
Maintenance Capex	Per sq. ft. per month	INR 2.3

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Ground Rent/ License Fee:** Ground Rent/ License Fee has been provided for FY'25 and the same has been projected to increase at 5.5% per annum from FY'26 onwards.
- **O&M Expense:** O&M Cost has been calculated basis markup of 20% on CAM income after deducting sinking fund and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Payroll Expense:** The Payroll expense for the period between 1st October 2024 – 31st March 2025 for WM 1 is considered to be INR 8.49 Million. The same has been converted to annual basis and escalated at 6.5% annually for subsequent years.



### **Discount Rate assumptions**

- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable REITs. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% was found to be aligned with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that the subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 16,909 Million	Indian Rupees Sixteen Billion and Nine Hundred and Nine Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 9,480 per sq. mtr.
Land area*	INR 1,69,920 per sq. mtr.

*\*Circle rate of F zone - Delhi has been considered. Circle rate for residential use is INR 56,640 per. sq. mtr., to arrive at the commercial use the same has been multiplied with 3 as per the guideline.*

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979

## **D ANNEXURES**



## Annexure 1: Cash Flows

### Completed Building: Tower 1

Particulars	Unit	1-Oct-24	1-Oct-25	1-Oct-26	1-Oct-27	1-Oct-28	1-Oct-29	1-Oct-30	1-Oct-31	1-Oct-32	1-Oct-33	1-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals (Including Parking)	INR Million	1,491	1,530	1,546	1,668	1,707	1,758	1,897	1,929	2,004	2,179	2,254
CAM Income	INR Million	225	230	235	249	259	269	280	292	320	349	365
Other Income (Telecom)	INR Million	19	18	17	13	13	13	14	14	9	4	4
Total Income	INR Million	1,734	1,778	1,799	1,931	1,979	2,041	2,191	2,234	2,334	2,532	2,624
Total Income from occupancy	INR Million	1,734	1,778	1,799	1,931	1,979	2,041	2,191	2,234	2,334	2,532	2,624
<b><u>OPERATING COSTS</u></b>												
Ground Rent/ Liscence Fee	INR Million	(140)	(147)	(155)	(164)	(173)	(182)	(193)	(203)	(214)	(226)	(238)
Property Taxes	INR Million	(23)	(24)	(25)	(26)	(28)	(29)	(31)	(32)	(34)	(35)	(37)
O&M Expense	INR Million	(191)	(201)	(210)	(220)	(231)	(242)	(254)	(267)	(279)	(292)	(307)
Payroll Expense	INR Million	(18)	(19)	(20)	(21)	(23)	(24)	(26)	(27)	(29)	(31)	(33)
Total Operating Costs	INR Million	(371)	(391)	(411)	(431)	(454)	(478)	(503)	(529)	(556)	(585)	(615)
Net operating Income	INR Million	1,363	1,387	1,388	1,499	1,525	1,563	1,688	1,705	1,778	1,947	2,008
Maintenance Capex	INR Million	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(26)	(27)	(28)
Brokerage Expenses	INR Million	(25)	(11)	(31)	(10)	-	(5)	(1)	(26)	(40)	(39)	(18)
Construction costs	INR Million	(132)	-	-	-	-	-	-	-	-	-	-
Net Cashflows	INR Million	1,188	1,358	1,338	1,469	1,504	1,536	1,663	1,655	1,712	1,881	1,962

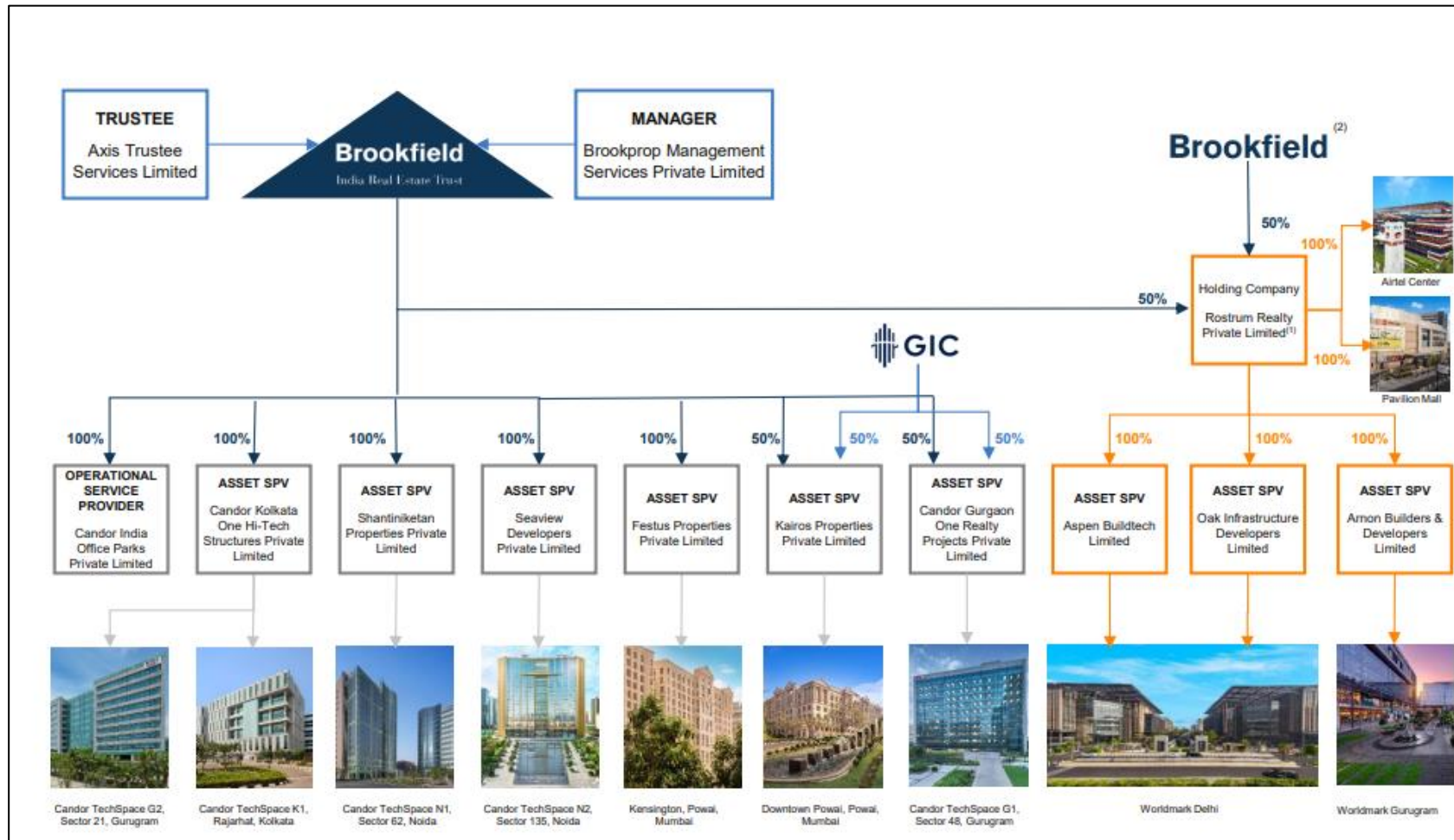


Particulars	Unit	1-Oct-35 30-Sep-36	1-Oct-36 30-Sep-37	1-Oct-37 30-Sep-38	1-Oct-38 30-Sep-39	1-Oct-39 30-Sep-40	1-Oct-40 30-Sep-41	1-Oct-41 30-Sep-42	1-Oct-42 30-Sep-43	1-Oct-43 30-Sep-44	1-Oct-44 30-Sep-45	1-Oct-45 30-Sep-46	1-Oct-46 30-Sep-47	1-Oct-47 30-Sep-48	1-Oct-48 30-Sep-49	1-Oct-49 30-Sep-50
<b>OPERATING INCOME</b>																
Lease Rentals (Including Parking)	INR Million	2,278	2,503	2,592	2,665	2,899	2,949	3,012	3,273	3,401	3,463	3,806	3,942	4,052	4,409	4,485
CAM Income	INR Million	382	401	420	440	462	484	507	532	558	585	613	643	675	708	742
Other Income (Telecom)	INR Million	5	5	5	5	6	6	6	6	7	7	7	8	8	9	9
<b>Total Income</b>	<b>INR Million</b>	<b>2,665</b>	<b>2,908</b>	<b>3,017</b>	<b>3,110</b>	<b>3,366</b>	<b>3,439</b>	<b>3,525</b>	<b>3,811</b>	<b>3,965</b>	<b>4,055</b>	<b>4,426</b>	<b>4,593</b>	<b>4,735</b>	<b>5,125</b>	<b>5,236</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,665</b>	<b>2,908</b>	<b>3,017</b>	<b>3,110</b>	<b>3,366</b>	<b>3,439</b>	<b>3,525</b>	<b>3,811</b>	<b>3,965</b>	<b>4,055</b>	<b>4,426</b>	<b>4,593</b>	<b>4,735</b>	<b>5,125</b>	<b>5,236</b>
<b>OPERATING COSTS</b>																
Ground Rent/ Liscence Fee	INR Million	(252)	(265)	(280)	(295)	(312)	(329)	(347)	(366)	(386)	(407)	(430)	(453)	(478)	(505)	(532)
Property Taxes	INR Million	(39)	(41)	(43)	(45)	(48)	(50)	(52)	(55)	(58)	(61)	(64)	(67)	(70)	(74)	(77)
O&M Expense	INR Million	(322)	(338)	(355)	(373)	(392)	(411)	(432)	(453)	(476)	(500)	(525)	(551)	(579)	(607)	(638)
Payroll Expense	INR Million	(35)	(37)	(40)	(42)	(45)	(48)	(51)	(54)	(58)	(62)	(66)	(70)	(75)	(79)	(85)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(648)</b>	<b>(682)</b>	<b>(718)</b>	<b>(756)</b>	<b>(796)</b>	<b>(838)</b>	<b>(882)</b>	<b>(929)</b>	<b>(978)</b>	<b>(1,030)</b>	<b>(1,084)</b>	<b>(1,141)</b>	<b>(1,202)</b>	<b>(1,265)</b>	<b>(1,332)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,017</b>	<b>2,226</b>	<b>2,299</b>	<b>2,354</b>	<b>2,570</b>	<b>2,601</b>	<b>2,643</b>	<b>2,882</b>	<b>2,987</b>	<b>3,026</b>	<b>3,342</b>	<b>3,452</b>	<b>3,533</b>	<b>3,859</b>	<b>3,904</b>
Maintenance Capex	INR Million	(30)	(31)	(33)	(34)	(36)	(38)	(40)	(42)	(44)	(46)	(48)	(51)	(53)	(56)	(59)
Brokerage Expenses	INR Million	(48)	(16)	-	(7)	(2)	(41)	(62)	(61)	(27)	(75)	(25)	-	(11)	(3)	(63)
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,939</b>	<b>2,179</b>	<b>2,266</b>	<b>2,313</b>	<b>2,532</b>	<b>2,523</b>	<b>2,541</b>	<b>2,780</b>	<b>2,916</b>	<b>2,905</b>	<b>3,269</b>	<b>3,401</b>	<b>3,469</b>	<b>3,800</b>	<b>3,782</b>



Particulars	Unit	1-Oct-50 30-Sep-51	1-Oct-51 30-Sep-52	1-Oct-52 30-Sep-53	1-Oct-53 30-Sep-54	1-Oct-54 30-Sep-55	1-Oct-55 30-Sep-56	1-Oct-56 30-Sep-57	1-Oct-57 30-Sep-58	1-Oct-58 30-Sep-59	1-Oct-59 30-Sep-60	1-Oct-60 30-Sep-61	1-Oct-61 30-Sep-62	1-Oct-62 30-Sep-63	1-Oct-63 30-Sep-64	1-Oct-64 30-Sep-65	1-Oct-65 30-Sep-66
<b>OPERATING INCOME</b>																	
Lease Rentals (Including Parking)	INR Million	4,579	4,976	5,171	5,265	5,787	5,996	6,163	6,705	6,819	6,961	7,564	7,863	8,005	8,800	9,119	5,502
CAM Income	INR Million	779	817	857	899	943	989	1,038	1,089	1,143	1,199	1,259	1,321	1,386	1,455	1,527	1,065
Other Income (Telecom)	INR Million	9	10	10	11	11	12	13	13	14	15	15	16	17	18	19	13
Total Income	INR Million	5,367	5,802	6,038	6,175	6,741	6,997	7,213	7,807	7,976	8,175	8,838	9,200	9,408	10,272	10,664	6,580
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>5,367</b>	<b>5,802</b>	<b>6,038</b>	<b>6,175</b>	<b>6,741</b>	<b>6,997</b>	<b>7,213</b>	<b>7,807</b>	<b>7,976</b>	<b>8,175</b>	<b>8,838</b>	<b>9,200</b>	<b>9,408</b>	<b>10,272</b>	<b>10,664</b>	<b>6,580</b>
<b>OPERATING COSTS</b>																	
Ground Rent/ Licence Fee	INR Million	(562)	(593)	(625)	(660)	(696)	(734)	(774)	(817)	(862)	(909)	(959)	(1,012)	(1,068)	(1,127)	(1,189)	(832)
Property Taxes	INR Million	(81)	(85)	(90)	(94)	(99)	(104)	(109)	(114)	(120)	(126)	(132)	(139)	(146)	(153)	(161)	(112)
O&M Expense	INR Million	(670)	(703)	(738)	(775)	(814)	(855)	(897)	(942)	(989)	(1,039)	(1,091)	(1,145)	(1,203)	(1,263)	(1,326)	(925)
Payroll Expense	INR Million	(90)	(96)	(102)	(109)	(116)	(123)	(132)	(140)	(149)	(159)	(169)	(180)	(192)	(204)	(218)	(153)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(1,403)</b>	<b>(1,477)</b>	<b>(1,555)</b>	<b>(1,638)</b>	<b>(1,725)</b>	<b>(1,816)</b>	<b>(1,912)</b>	<b>(2,014)</b>	<b>(2,121)</b>	<b>(2,233)</b>	<b>(2,352)</b>	<b>(2,477)</b>	<b>(2,608)</b>	<b>(2,747)</b>	<b>(2,893)</b>	<b>(2,022)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>3,964</b>	<b>4,325</b>	<b>4,483</b>	<b>4,537</b>	<b>5,017</b>	<b>5,181</b>	<b>5,301</b>	<b>5,793</b>	<b>5,856</b>	<b>5,941</b>	<b>6,486</b>	<b>6,723</b>	<b>6,799</b>	<b>7,525</b>	<b>7,771</b>	<b>4,558</b>
Maintenance Capex	INR Million	(62)	(65)	(68)	(71)	(75)	(79)	(82)	(87)	(91)	(95)	(100)	(105)	(111)	(116)	(122)	(85)
Brokerage Expenses	INR Million	(97)	(95)	(42)	(116)	(38)	-	(17)	(5)	(98)	(150)	(147)	(66)	(180)	(59)	-	(19)
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>3,806</b>	<b>4,166</b>	<b>4,373</b>	<b>4,350</b>	<b>4,904</b>	<b>5,103</b>	<b>5,202</b>	<b>5,702</b>	<b>5,667</b>	<b>5,696</b>	<b>6,239</b>	<b>6,552</b>	<b>6,509</b>	<b>7,349</b>	<b>7,649</b>	<b>4,454</b>

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.





**ASSET - 11**

ASSET ID	ASSET NAME	ASSET TYPE	ASSET STATUS	ASSET LOCATION
11	ASSET 11	ASSET 11	ASSET 11	ASSET 11
12	ASSET 12	ASSET 12	ASSET 12	ASSET 12
13	ASSET 13	ASSET 13	ASSET 13	ASSET 13
14	ASSET 14	ASSET 14	ASSET 14	ASSET 14
15	ASSET 15	ASSET 15	ASSET 15	ASSET 15
16	ASSET 16	ASSET 16	ASSET 16	ASSET 16
17	ASSET 17	ASSET 17	ASSET 17	ASSET 17
18	ASSET 18	ASSET 18	ASSET 18	ASSET 18
19	ASSET 19	ASSET 19	ASSET 19	ASSET 19
20	ASSET 20	ASSET 20	ASSET 20	ASSET 20
21	ASSET 21	ASSET 21	ASSET 21	ASSET 21
22	ASSET 22	ASSET 22	ASSET 22	ASSET 22

**LEGEND**

- FAR AREA
- NON-FAR AREA
- SERVICE AREA
- LOBBY AREA

**NOTES**

1. The drawing is a preliminary drawing and is not to be used for construction purposes.
2. The drawing is a preliminary drawing and is not to be used for construction purposes.
3. The drawing is a preliminary drawing and is not to be used for construction purposes.
4. The drawing is a preliminary drawing and is not to be used for construction purposes.
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18. The drawing is a preliminary drawing and is not to be used for construction purposes.
19. The drawing is a preliminary drawing and is not to be used for construction purposes.
20. The drawing is a preliminary drawing and is not to be used for construction purposes.
21. The drawing is a preliminary drawing and is not to be used for construction purposes.
22. The drawing is a preliminary drawing and is not to be used for construction purposes.

**DRAWING TITLE**

SITE PLAN  
SITE FAN CALCULATION

**DATE** 2020-01-10

**DRAWN BY** RKA

**CHECKED BY** RKA

**APPROVED BY** RKA

L. Anuradha MRICS  
(IBBI/RV/02/2022/14979)

**Annexure 4: Subject Property Photographs**



Front View of the Subject Property



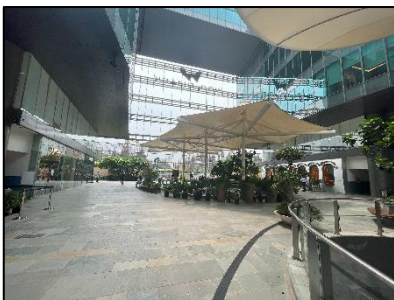
View of the Subject Property



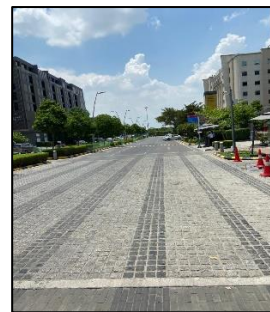
View of the Subject Property



View of NH -48  
(Secondary access road)



View of the Subject Property



View of primary access Road

**Annexure 5: Statement of Key assets**

<i>Building</i>	<i>No/Name</i>	<i>Worldmark 1</i>
No. of DG Capacity	KVA	(3 X1500 KVA) (1X 750 KVA)
No. of Transformer/Capacity	KVA	(3X2000 KVA)
Chiller Rating	TR	3*525 TR
Cooling Tower		3*525 TR
FF Systems	KW/HP	Sprinkler Jockey 1*10 HP, 7.5 kw Hydrant Jockey 1*10 HP, 7.5 Kw Main Sprinkler pump 100 HP, 75 KW Main Hydrant pump 100 HP, 75 KW Fire Diesel pump 169 HP 124.4 KW
Water pumping System	KW/HP	Treated water transfer pump 2 * 7.5 Kw Soft water transfer pump 2 * 7.5 Kw RO water Transfer Pump 2* 3.7 KW 5 HP STP - Softener 2* 4 KW STP - Flushing Water 2*7.5 Kw
STP Rating	KLD	1*325 KLD
Warmshell/Bareshell		Bareshell

Source: As provided by Client

## **Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

### **Approvals Received**

- a) Building Plan Approvals and amendments thereof
- b) Full Occupancy Certificates received for the building.
- c) Consent to Establish (CTE)
- d) Fire Safety Certificate
- e) Height clearance NOC from AAI
- f) Consent to Operate (CTO)
- g) Completion Certificate
- h) Environment Clearance

**Annexure 7: Ready Reckoner Rate for Built Up area and Land Area**

**Land Area**

**ANNEXURE-1**

Minimum Rates (Circle Rates) for valuation of land and properties for the purpose of payment of stamp duty under Indian stamp Act. as applicable to Delhi & registration fees under the Registration Act, 1908 in Delhi:-

**1. Minimum land rate for Residential Use:-**

**Table-1.**

Category of the locality	Minimum rates for valuation of land for residential use (in Rs. Per Sq. mtr.)
A	774000
B	245520
C	159840
D	127680
E	70080
F	56640
G	46200
H	23280

**2. Minimum Land Rates for Commercial, Industrial and other uses:-**

The following multiplying factors shall be employed to the above minimum land rates of residential use, to arrive at the cost of land under other following uses:-

**Table-1.1**

Use*	Public Utility e.g. private school, colleges, hospitals	Industrial	Commercial
Factor	2	2	3

\*Definition are as per unit area property tax system



3. Minimum rates for cost of construction:-

3.1 The base unit rate of cost of construction will be :-

Table-1.2

Category of the locality	Minimum rates of construction for residential use (in Rs. Per Sq. mtr.)	Minimum rates of construction for Commercial use (in Rs. Per Sq. mtr.)
A	21960	25200
B	17400	19920
C	13920	15960
D	11160	12840
E	9360	10800
F	8220	9480
G	6960	8040
H	3480	3960

3.2 In order to take into account the age of structures, the following multiplying factor shall be employed to the minimum cost of construction mentioned above:-

Year of completion	Prior to 1960	1960-69	1970-79	1980-89	1990-2000	2000 onwards
Age factor	0.5	0.6	0.7	0.8	0.9	1.0

3.3 To calculate the valuation of different structures, the following multiplying factors to the above minimum cost of construction shall be employed under colonies in G and H category:

Structure Type	Pucca	Semi-Pucca	Katcha
Multiplicative	1.0	0.75	0.5

## **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by Client, following major repairs/upgrades have been taken up in the past:

1. Upgrade: None
2. List of ESG Initiatives
  - Installation of RECD at DG
  - Installation of Bottle crusher machine
  - Installation of EV vehicle charger
  - Installation of Antismog gun from scrap material
  - Purchasing green energy

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India REIT** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations, or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.





5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates, and employees, must not use, reproduce, or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.

# **VALUATION REPORT**

## **Worldmark 2 and 3, Aerocity District - DIAL, NCR**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**



## **Disclaimer**






*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> August 2024 to Letter of Engagement ("LOE") dated 23<sup>rd</sup> December 2022 & addendum to LOE dated 22<sup>nd</sup> September 2023 without the prior written consent of the Valuer.*


*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23<sup>rd</sup> December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

Worldmark 2 and 3, Aerocity District (DIAL), NCR		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	 External View of World Mark Tower 2
<b>Site Visit Date:</b>	22 <sup>nd</sup> April 2024 (Subsequently no site visits have been conducted)	
<b>Valuation Methodology:</b>	Discounted Cash Flow using Rental Reversion	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014	
<b>Location / Situation:</b>	<p>Worldmark Tower 2 and 3 (herein after referred to as Subject Property) is located in Aerocity District, Delhi International Airport Limited (DIAL) (herein after referred to as “Subject Micro Market”), New Delhi, NCR</p> <p>The Subject Property is in proximity to the Indira Gandhi International Airport. The Subject Property is accessible via Aerocity road which further connects it to National Highway 48 and makes it well connected to all key nodes of Delhi NCR.</p> <p>The Subject Property lies in close proximity to key office and residential clusters of NCR i.e., Gurugram and Delhi which makes the Subject Micro Market, a prominent office destination for major office occupiers. The Subject Micro Market is also a hospitality hub of NCR.</p> <p>The profile of surrounding development for the Subject Property constitutes prominent hotel developments like JW Marriott Hotel, Holiday Inn, Red Fox Hotel, Lemon Tree Hotel, Roseate House, Holiday Inn, Novotel etc.</p>	 External View of World Mark Tower 3   Internal view of the Subject Property
<b>Description:</b>	<p>The Subject Property is a completed office cum retail development comprising of leasehold rights over a land area of approximately 4.5 Acres.</p> <p>The Subject Property is a completed office and retail development. The Subject Property constitutes 2 completed buildings. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower 2 and 3 Buildings (2)</li> </ul> <p>The completed buildings collectively admeasure 8,46,656 sq. ft. of leasable area. Currently the committed occupancy* in the completed buildings is 90.7%. The bifurcation of office, retail, and atelier area is as follows:</p> <p>Office leasable area: 662,276 sq. ft.  Atelier leasable area: 121,606 sq. ft.  Retail leasable area: 62,775 sq. ft.</p> <p>Based on lease deed signed with Delhi International Airport Limited, we understand that the Subject Property's land is held on a leasehold basis, with the lease set to expire in the year 2066. The Subject property is</p>	 Internal view of the Subject Property   Primary access road of the Subject Property

	<p>commercial cum retail development, with two basements, lower ground, ground and six floors.</p> <p>Worldmark Tower 2 and 3 along with Tower 1 are prime front office assets.</p> <p>The Subject Property is an office cum retail development, with two basements, lower ground, ground and six floors. The ground floor and lower ground floor of the Subject Property is primarily dedicated for Foods &amp; Beverages (F&amp;B); some area is also given to a few retail brands. The Subject Property along with Worldmark 1 are the only prominent commercial developments in the Subject Micro Market which provides office space on lease.</p> <p><b>Worldmark 2:</b> The total leasable area of Worldmark 2 is approximately 4,33,072 sq. ft. of which 97.6% is leased as on the date of valuation. It has premium office property suites at ground and lower ground floor. The prominent tenants in the tower 2 are Safran India, BAE Systems, Sumitomo, International Monetary Fund (IMF), Grand Thornton, Walker Chandio, Lightspeed India Partners Advisors LLP, Bharti Reality, Julius Baer, Brookprop etc.</p> <p><b>Worldmark 3:</b> The total leasable area of Worldmark 3 is approximately 4,13,584 sq. ft. of which 83.4% is leased as on the date of valuation. The prominent tenants in tower 3 are Accenture Solutions, Mitsui &amp; co., The Trade Office of Embassy of Republic of Korea, ESRI R&amp;D, International Finance Corporation, Verizon Communications, SAS Institute, CDPQ, Bharat Certis Agriscience, SMBC, Vishgwa Smudra Engineering etc.</p> <p>The Subject Property also provides the car stacker parking lift facility at the basement one and two which allows to park multiple cars. The total parking slots in the Subject Property are 1,666.</p>	 <p>Primary access road of the Subject Property</p>
<b>Total Area:</b>	<p>Total Land Area: 4.5 Acres</p> <p>Leasable Area Worldmark 2: 4,33,072 sq. ft. (Office – 338,287 sq. ft., Retail – 35,632 sq. ft., Atelier – 59,153 sq. ft.)</p> <p>Leasable Area Worldmark 3: 4,13,584 sq. ft. (Office – 323,989 sq. ft., Retail – 27,143 sq. ft., Atelier – 62,453 sq. ft.)</p> <p>Total Leasable Area: 8,46,236 sq. ft..</p>	

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable area.

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30th September 2024 is as follows:

Component	Market Value as on	In Figures Tower 2	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 12,524 Million	Indian Rupees Twelve Billion Five Hundred and Twenty-Four Million Only
Component	Market Value as on	In Figures Tower 3	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 11,749 Million	Indian Rupees Eleven Billion Seven Hundred and Forty-Nine Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed, or considered in isolation from the full report

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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Property:** Worldmark 2 and 3, Aerocity District, DIAL, NCR

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “REIT” or the “Client”)** has appointed Ms. L. Anuradha, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred to as the “Valuer”), in order to undertake the valuation of office property located in Aerocity District (DIAL) (hereinafter referred to as “Subject Property” and/or “Worldmark 2 and 3”) for the assets forming part of the property under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor's in Architecture in 2002 and Master's in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation, and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala, and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with Price Waterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT Micro Markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

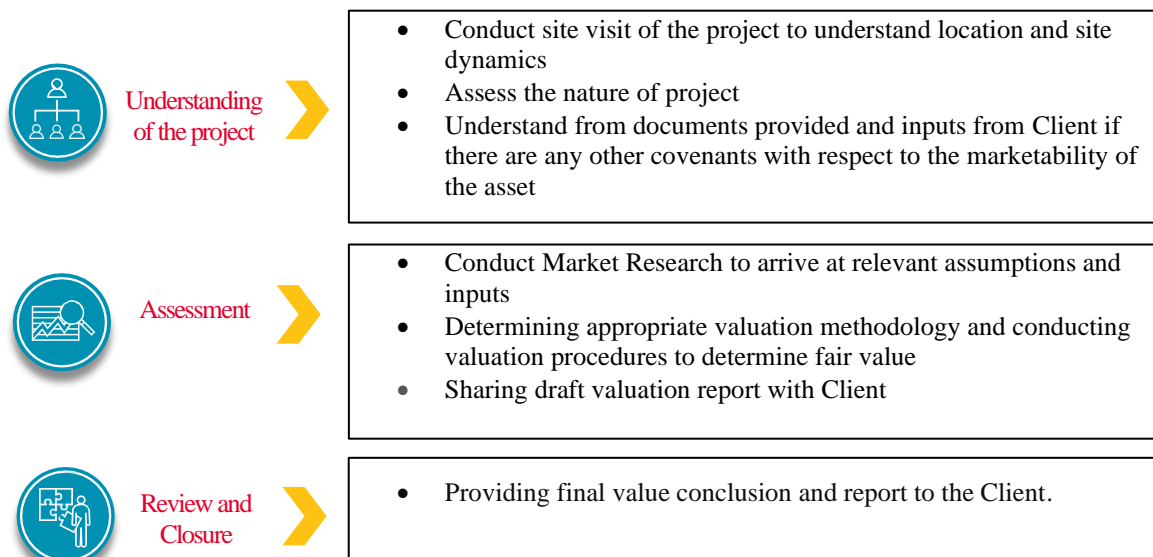
The purpose of this valuation is for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

## 5 Basis of Valuation

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as ‘*The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*’

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same may be derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the Subject Property.

***For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.***

## **7 Assumptions, Departures and Reservations**

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock - in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## **8 Inspection**

The Property was inspected on 22<sup>nd</sup> April 2024 (No Subsequent site visit has been conducted) by the Valuer . No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the applicable law.

## 11 Authority

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by her due to such usage other than for the as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in his favour, reasonably satisfactory to her for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement is extended to **Brookprop Management Services Private Limited ("Brookprop" or "The Manager")**, the **Brookfield India Real Estate Trust ("Brookfield REIT")** and their unit holders and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The auditors, debenture trustees, stock exchanges, unit holders of the REIT, **Securities and Exchange Board of India (SEBI)**, and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in this Agreement, the Valuer's total aggregate liability to the Manager arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the total fees paid to Valuer by Client hereunder.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT, the intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to

his inclusion as a necessary party/ respondent. In all such cases, the Manager agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by him while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against him in this regard.

#### **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

#### **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants, and undertakes that:

They are familiar with applicable Anti-Corruption Laws under this Agreement including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case she is insisted upon or asserted by the Client to violate any of the above said undertakings in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate this Agreement without any liability or obligation on his part.

Such termination of this Agreement shall not in any way prejudice the rights and obligations (including payment for the services delivered under this Agreement) already accrued to the Valuer, prior to such termination.

## **B      NATIONAL CAPITAL REGION OVERVIEW**

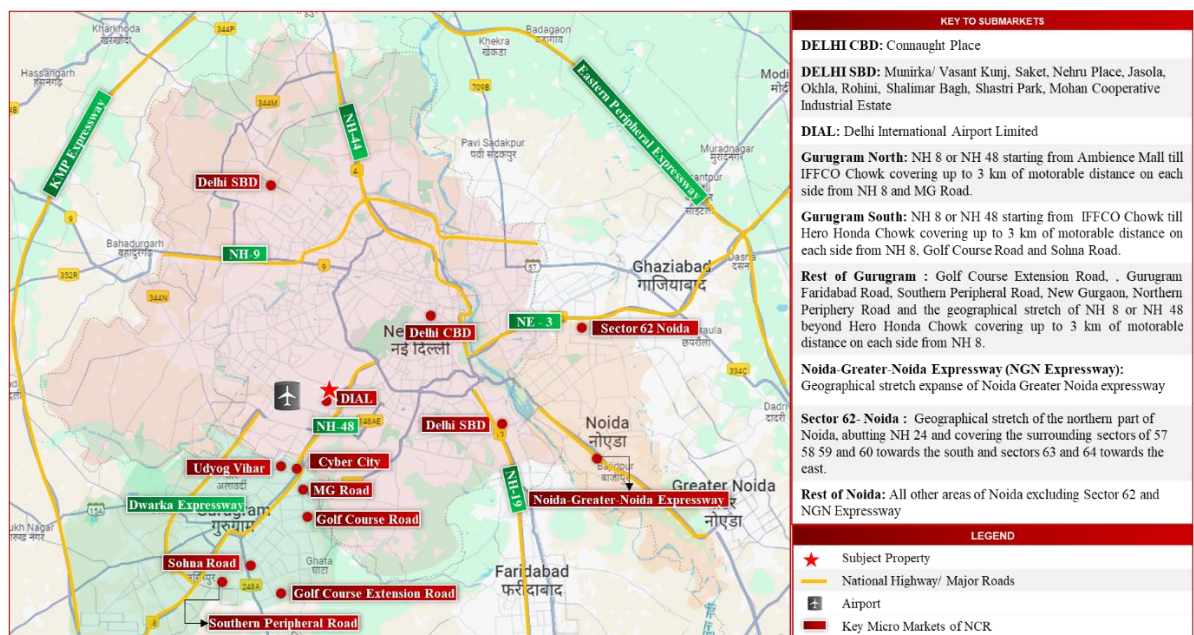


For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out Industry and Market Report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (*Source: www.un.org*). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh, and Rajasthan. In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



Source: Cushman and Wakefield Research  
(Map not to scale)

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Rest of Gurugram)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida–Greater Noida (NGN) Expressway & Rest of Noida)
4. Delhi International Airport Limited (DIAL)



The table below highlight the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL*	Gurugram	Noida
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%
<b>Avg. Annual Absorption CY 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16
<b>Future Supply Q4 CY 2024 E – CY 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55

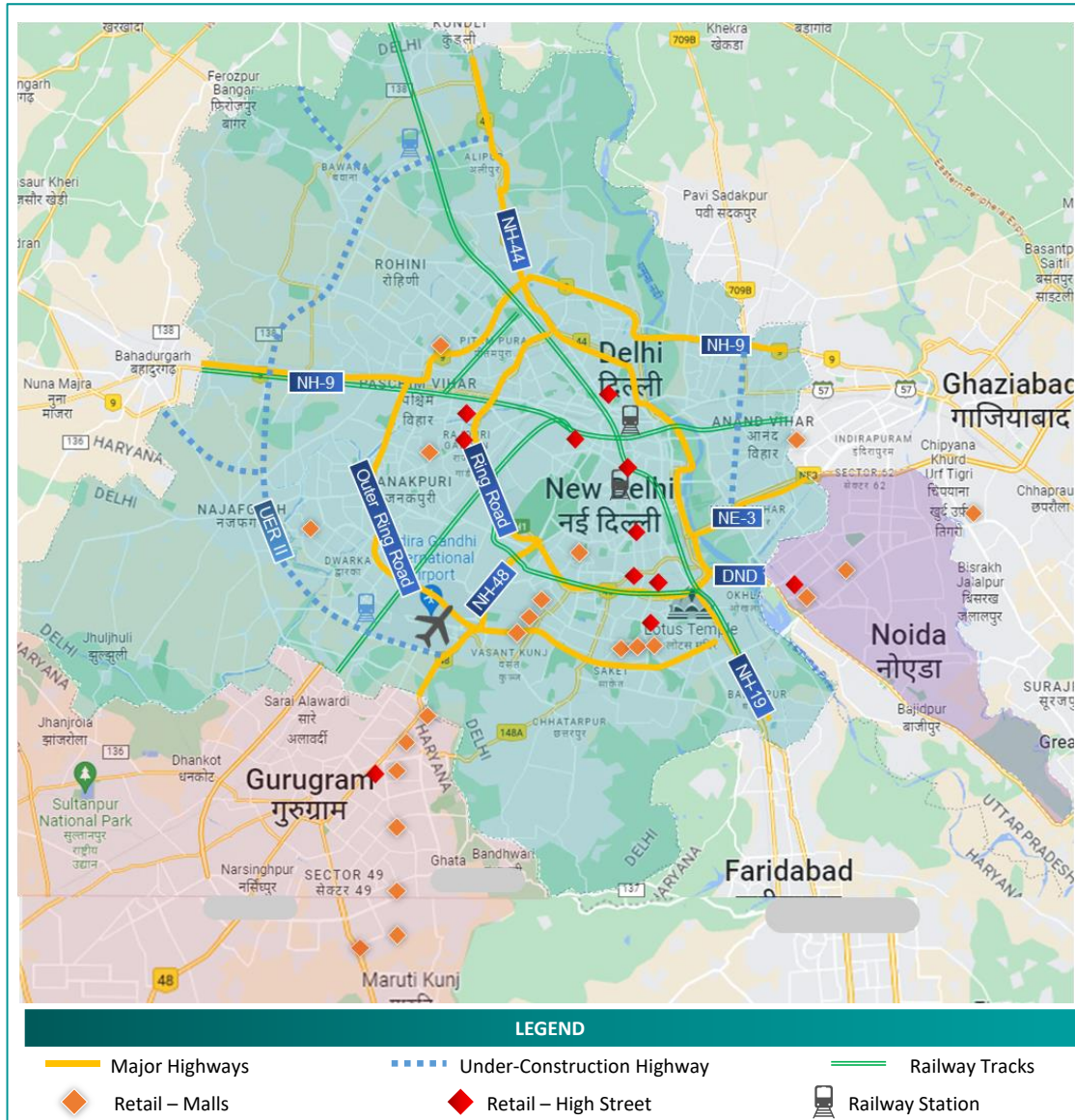
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \* Brookfield India REIT's city market or Subject Micro Market for Subject Property.
4. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
5. Vacancy and Net Absorption numbers are computed on the relevant stock.
6. The future supply estimates are based on analysis of proposed and under construction buildings.
7. The net absorption value refers to the net additional leasing activity which has occurred in the year and excludes precommitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
9. Rentals presented above are quoted weighted average values on completed stock.

## Retail

National Capital Region (NCR) has become one of the largest retail markets in India. Delhi NCR offers a variety of retail formats with major chunk of supply concentrated in Delhi, Gurugram and Noida. The successful launch of three-office REITS in the Indian market paved way for first retail REIT, backed by Blackstone in 2023. The Retail landscape of the NCR is presented in the map below:



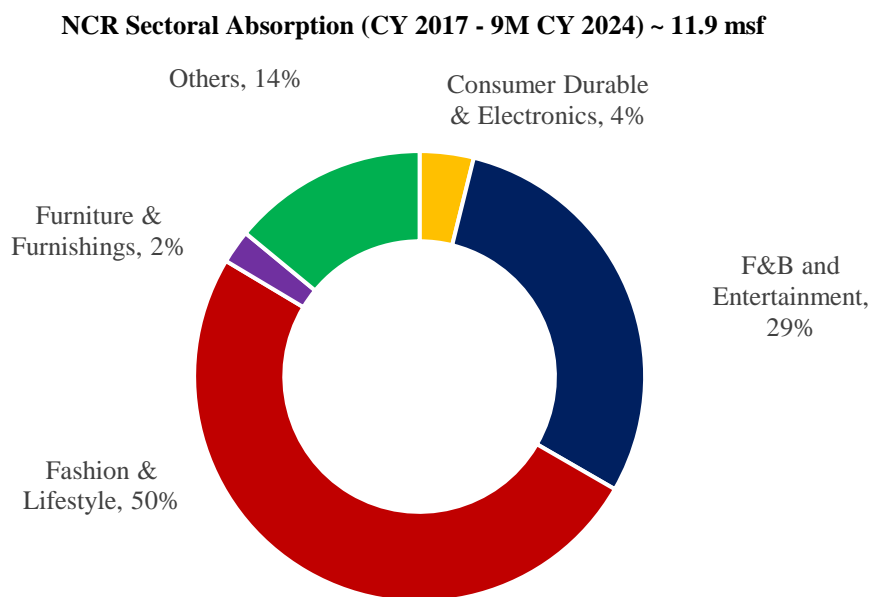
Source: Cushman and Wakefield Research  
(Map not to scale)

In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. Delhi NCR has adeptly embraced and accommodated this evolving trend. This significant change is indicative of a broader transformation in the retail landscape, driven by evolving consumer expectations, lifestyle choices, and a desire for more personalized and community-oriented experiences.

In urban centres around the world, F&B culture has emerged as a dominant force reshaping the retail landscape. Consumers, especially the working population, are increasingly prioritizing such experiences. They seek out dining experiences that also provide social interaction, entertainment, and an escape from their day-to-day life.

In Delhi-NCR specifically, traditional malls and high streets have focused on fashion ware. However, new establishments in Delhi-NCR have increasingly focused on creating specific F&B oriented spaces in order to create a unique and authentic dining experience for the visitors. Case in point, major retail destinations of Delhi-NCR today like DLF Cyber Hub (Gurugram), Worldmark Aerocity (Aerocity District), 32nd Milestone (Gurugram), Advant Navis (Noida) are primarily F&B focused destinations. Even large traditional malls like DLF Avenue (Delhi) and Gardens Galleria (Noida) have experienced expanding F&B areas.

The prominence of F&B can be seen in the sectoral chart of NCR below:



*Source: Cushman and Wakefield Research*

*Note: The data presented in the above chart is a representative data set of the major lease transactions that have happened since 2017.*

As illustrated in the chart above, F&B and entertainment tenants have contributed to 29% of the retail absorption from CY 2017 till 9M 2024. F&B and entertainment is the largest contributor after Fashion & Lifestyle.

The key drivers of demand for retail space in NCR are as follows:

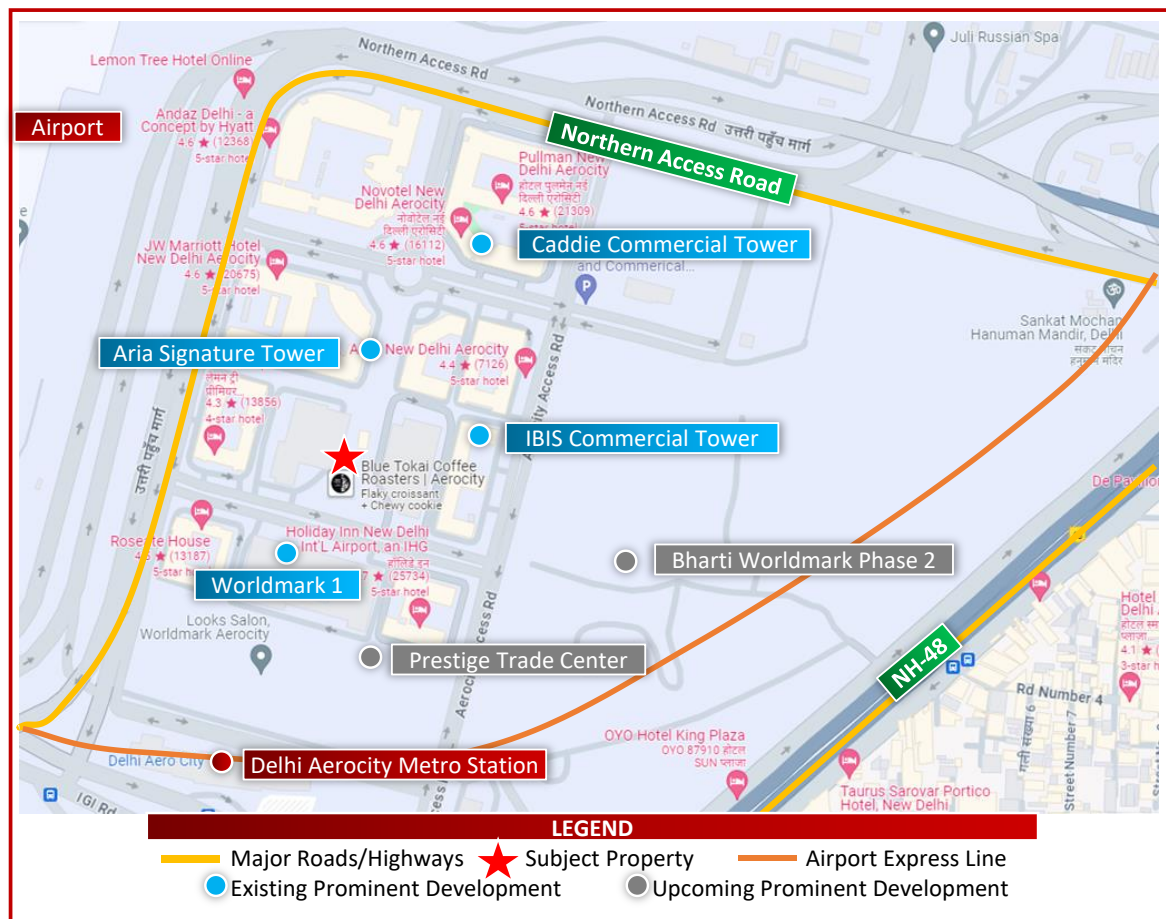
1. **Proximity to prominent residential nodes** - Malls located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor significantly enhances footfall and patronage. As residents are aspiring to a higher quality of life and modern amenities, retail developments are becoming integral to fulfilling their lifestyle aspirations.
2. **Lifestyle and Entertainment** – Gen Z and Millennial population today are increasingly on the lookout for destinations for shopping and entertainment. These people today enjoy higher disposable income and spending confidence. Retail developments with large entertainment spaces, multiplexes, salons, etc. attract higher footfall from this segment.
3. **Presence of office development** - Presence of social and lifestyle infrastructure near the office premises is more preferred by the working population. These amenities cater to the needs and preferences of the working population, providing opportunities for socializing, relaxation, and leisure activities. A retail development with F&B structure contributes to a better work-life balance for employees as they can easily unwind, socialize, or engage in recreational activities after work without having to commute far. Further, this provides convenient venues for informal business meetings, networking events, and client lunches.

## 2 Brookfield India REIT's City Market (Subject Micro Market) - Delhi International Airport Limited

The Subject Property along with Worldmark 1 is a leasehold Grade-A asset located in Aerocity District (DIAL) or Airport District, NCR. It has access to well-planned infrastructure and lies in proximity to International Airport.

### 2.1 Overview

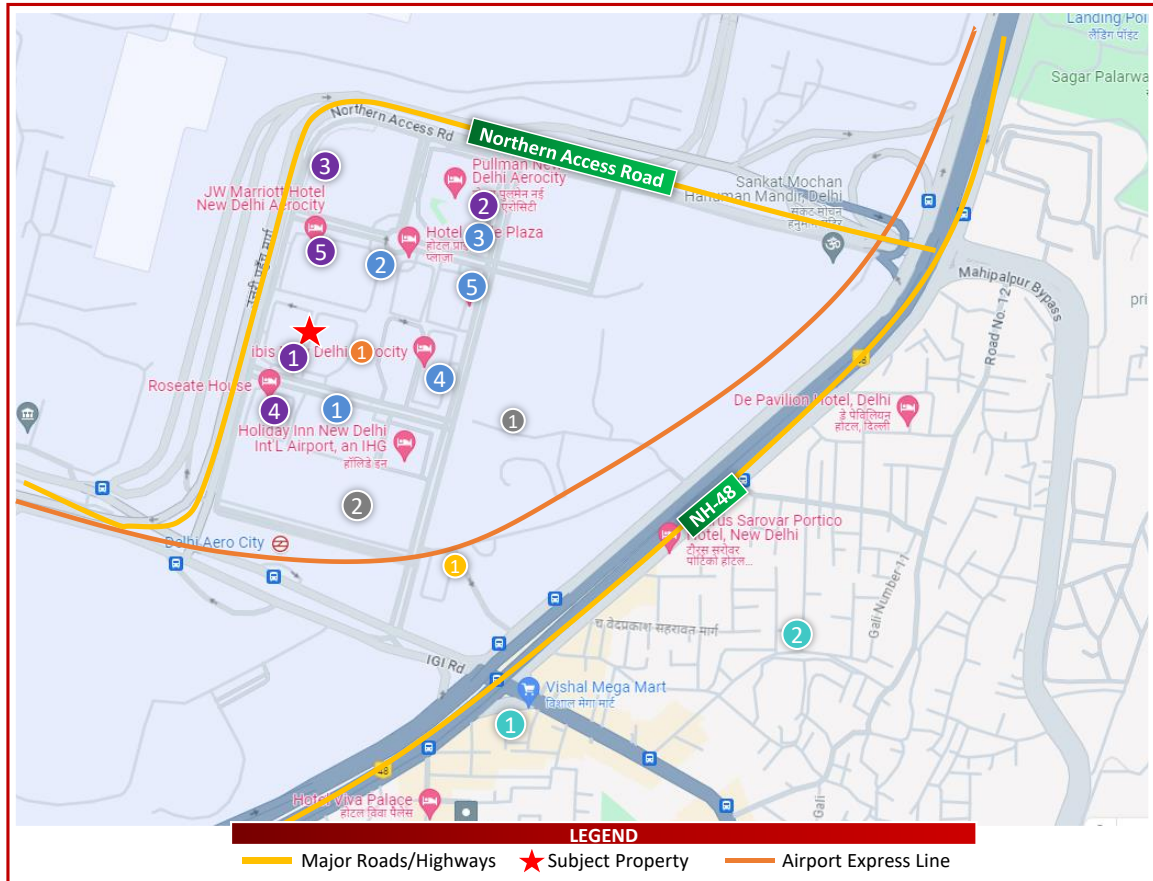
DIAL (Delhi International Airport Pvt. Ltd.) often called as Aerocity District, is a designated commercial and hospitality area established by GMR in collaboration with Airport Authority of India (AAI), Fraport AG & Eraman Malaysia. AAI has granted DIAL to develop and modernize Delhi International Airport, which includes development of 45 acres of prime land for hospitality, commercial and retail space. The development at DIAL started with the hospitality cluster in year 2013. The Subject Micro Market then witnessed office and retail supply in year 2015 primarily via Worldmark 1,2 and 3. The below map presents the location overview of the Aerocity District (DIAL):



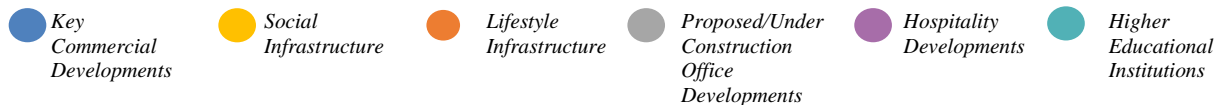
Source: Cushman and Wakefield Research  
(Map not to scale)



## 2.2 Social Infrastructure

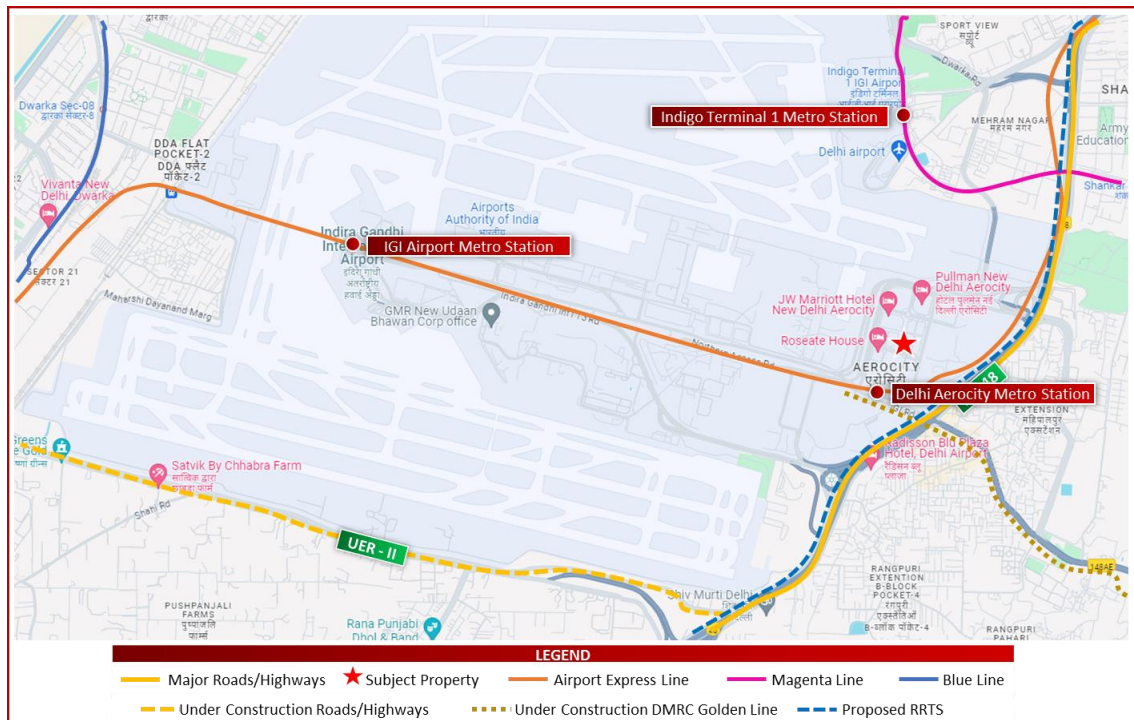


Source: Cushman & Wakefield Research  
(Map not to scale)



Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutes
1) Worldmark 1	1) Om Hospital (1.4 km)	1) Subject Property (along with Worldmark 1)	1) Worldmark Phase 2 (adjacent to Subject Property)	1) Lemon Tree Premier (220 m)	1) KPS Convent School (1.1 km)
2) Aria Signature Tower (400 m)			2) Prestige Trade Centre (adjacent to Subject Property)	2) Pullman (700 m)	2) Shalimar Public School (1.4 km)
3) Caddie Commercial Tower (600 m)				3) Hyatt Delhi Residences (550 m)	
4) Ibis Commercial Tower (350 m)				4) Roseate house (200 m)	
5) OSE Commercial Block (650 m)				5) JW Marriot Hotel (400 m)	

## 2.3 Physical Infrastructure



Source: Cushman & Wakefield Research  
(Map not to scale)

Aerocity District (DIAL) is well connected to key nodes of NCR through road (NH-48) and Metro rail facility. The nearest metro stations to the Subject Property are Delhi Aerocity Metro Station (part of Airport Express Line) and IGI Airport Metro Station (part of Magenta Line).

Also, the under-construction Delhi Metro golden line (formerly known as silver line) will connect Delhi Aerocity Metro Station to Tughlakabad Metro Station and shall result in enhancing the connectivity of Aerocity District (DIAL) to interior parts of Delhi.

Further, the elevated corridor from INA connecting East Delhi, Central Delhi, South Delhi to IGI Airport and Rangpuri Bypass – Tunnel connecting Nelson Mandela Marg to Shiv Murti Interchange are some of the planned infrastructure developments in the Subject Micro Market.

## 2.4 Real Estate Overview

**Hospitality:** The development at Aerocity District (DIAL) started with the hospitality cluster in year 2013 with JW Marriott as the first hotel development in the Subject Micro Market. Over the last few years, DIAL has emerged as a premium destination for hospitality and commercial development in NCR. This can be attributed to its strategic location i.e., proximity to the Indira Gandhi International Airport, and NH-48. With the presence of hospitality developments such as Novotel Hotel, Pride Plaza, Lemon Tree, Premier, Red Fox Hotel, Aloft, Roseate House, Holiday Inn etc, DIAL is known as a hospitality hub of NCR with demand primarily driven by air traffic and Gurugram.

In 2015, the Subject Micro Market experienced the introduction of office and retail supply primarily through Worldmark 1, 2, and 3

**Retail:** The retail landscaping of Aerocity District (DIAL) is limited supporting retail structures which primarily consist of coffee shops and lounges located within the hotels. These establishments cater primarily to travellers waiting for flights or those staying in the hotels. The Subject Property is the only prominent retail development offering a range of dining options, coffee shops and stores.

**Office:** DIAL has witnessed very limited office supply since inception. The Subject Property along with Worldmark 1 are the only prominent development which offers large integrated office development for the occupiers. DIAL stands out as a premium office micro market and one of the best performing in terms of growth across all the NCR micro markets.



## 2.5 Key Statistics – DIAL

The Subject Micro-Market offers 100% Non – IT Grade A office developments. The key office statistics for the Subject Micro Market are as follows:

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 1.51 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 1.41 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 6.9%
<b>Avg. Annual Net Absorption (CY 2022 – 9M CY 2024)</b>	Approximately 0.06 msf
<b>Future Supply (Q4 CY 2024 E – CY 2026 E)</b>	Q4 CY2024E: NIL CY 2025E: Approximately 1.1 msf CY 2026E: Approximately 2.3 msf

Source: Cushman and Wakefield Research

Notes:

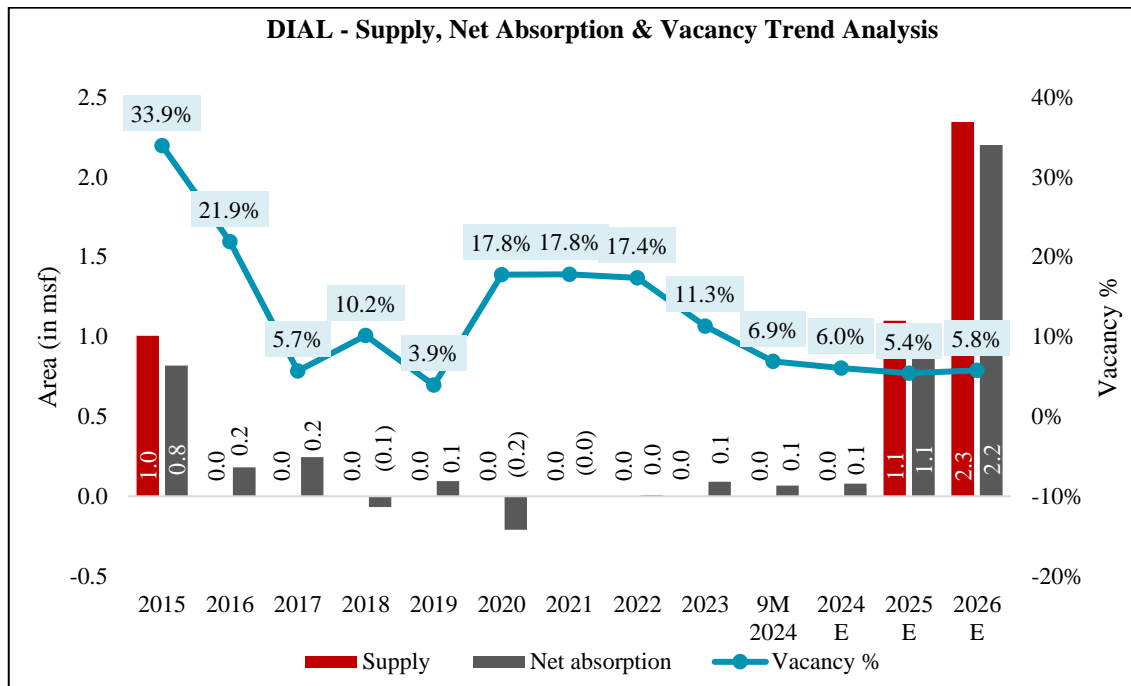
1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The key drivers of demand for office space in DIAL are as follows:

- **Connectivity and linkages:** DIAL is well connected to other nodes of NCR via robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International airport:** DIAL is in close proximity to airport and hence attracted large occupier base to the city. Its closeness to airport helped the city to grow at a very fast pace.
- **Presence of modern infrastructure:** Majority of the infrastructure in the Subject Micro Market is newly developed with innovative technology and modern design.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan, and Uttar Pradesh:** As the Subject Micro Market is accessible through multiple modes of transportation and it offers residential spaces across various price categories, it attracts talent pool from all adjoining locations.

## 2.6 Supply, Net Absorption & Vacancy

The supply, net absorption & vacancy trend for DIAL is as follows:



**Notes:**

1. Only Grade A office spaces have been considered for the analysis presented in the above chart.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
3. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy, and estimated supply.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

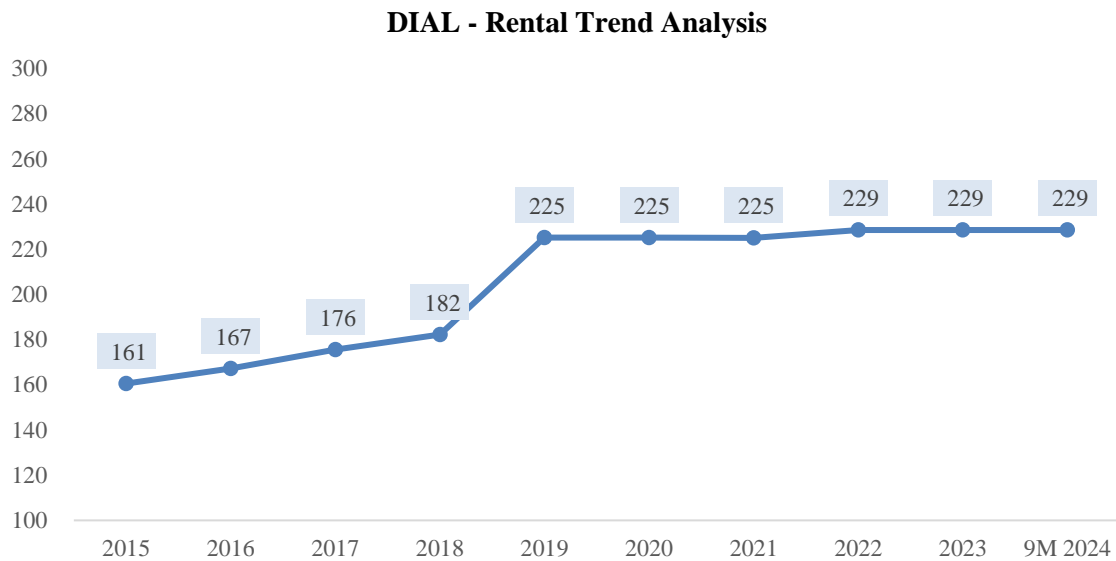
Aerocity District (DIAL) demand has outpaced supply since 2015 resulting in a steep vacancy decline to approximately 3.9% as of CY 2019. The Subject Micro-Market benefits the occupiers and their employees due to its proximity to IGI Airport and excellent integration of office, hospitality, F&B, and retail development.

The effect of COVID-19 was visible with negative net absorption resulting in increase of vacancy levels to approximately 18% in CY 2020. The market saw a surge in absorption starting CY 2023 pushing the vacancy levels towards south and reaching at approximately 6.9% as of Q3 CY 2024.

The quality of upcoming developments like Worldmark Phase -2 and Prestige Trade Centre, locational advantage, availability of lifestyle infrastructure will continue to drive the demand for the Subject Micro Market over the coming years.

## 2.7 Rental Trend Analysis

The rental trend for DIAL is as follows:



Source: Cushman and Wakefield Research

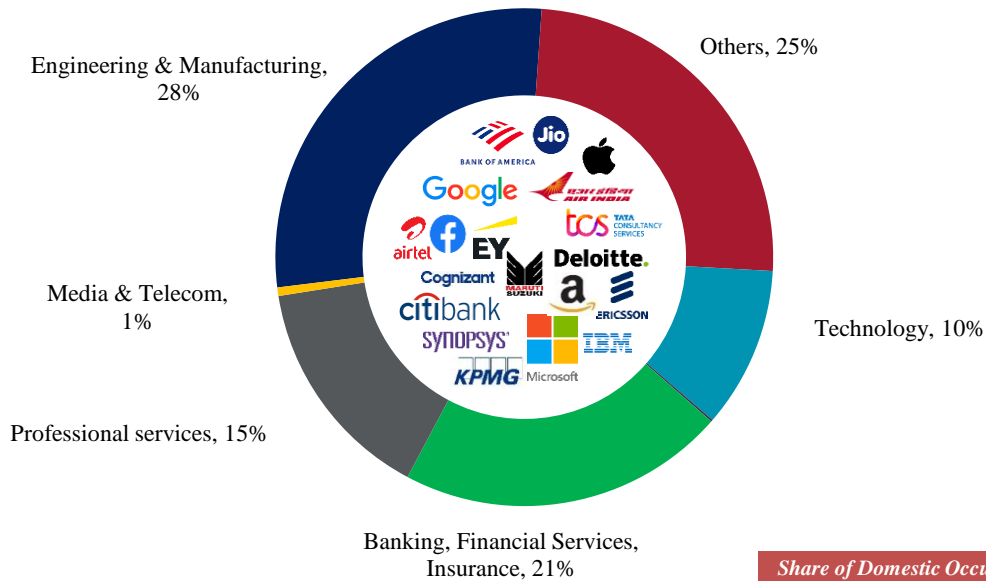
Notes:

1. Only Grade A relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across DIAL.
2. The quoted rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals presented above are weighted average values on completed stock.

The office supply has remained highly limited in the Subject Micro Market and on the contrary demand has always remained strong. The Subject Micro Market is the best performing office market in terms of growth across all the NCR micro market. The profile of the Subject Micro Market has added to its address value resulting in above average rental growth rate viz. a CAGR of 8.7% from CY 2015 till CY 2019 and maintaining even through the Covid years.

## 2.8 Sectoral Demand Analysis - (CY 2015 – 9M CY 2024)

**Key Industries Presents in DIAL**  
(CY 2015 – 9M CY 2024 ~ 1.45 msf)



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of DIAL's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Aerocity District (DIAL) is dominated by Engineering & Manufacturing Services, BFSI and Professional services sector which together contributes approximately 64% of the leasing activity for the years CY 2015 – 9M CY 2024. The tenants are attracted to the Subject Micro Market due to availability of good physical and social infrastructure. The occupiers from any sector typical have their front offices, business teams sitting out of Aerocity. The mix of foreign vs. domestic occupants in DIAL is 65:35.

## 2.9 Retail Overview – DIAL

The retail landscaping of DIAL (Delhi International Airport Limited) has limited TO supporting retail structures which primarily consist of largely constitutes Food & Beverages including coffee shops, restaurants, clubs, and lounges. Worldmark Towers 1,2 and 3 are the only prominent retail development offering a range of dining options, and retail stores.

The demand drivers of Aerocity District (DIAL) located near the Delhi Airport, are influenced by various factors that attract visitors and tenants:

- 1. Footfall:** The major footfall comes from corporate offices, hotels, and business centres present in the Worldmark Towers which is a major commercial development present in the micro-market. Moreover, it caters the dining and leisure demand of travellers arriving or departing from Delhi Airport.
- 2. Competitors/Similar Projects:** The formation of Aerocity District (DIAL) is similar to Cyber Hub and One Horizon Centre in Gurugram where office developments are integrated with supporting retail on the ground floor consisting premium retail outlets and fine dining options. The F&B options not only caters the demand generated by office occupants in the development, but other people also witness the catchment from visitors who come for shopping and dining, particularly on weekends for families gathering/leisure activities.
- 3. Proximity to residential zones of Delhi and Gurugram:** Retail developments located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor significantly enhances footfall and patronage. As residents are aspiring to a higher quality of life and modern amenities, retail developments are becoming integral to fulfilling their lifestyle aspirations.



In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. The table below highlights prominent retail developments (in F&B format) which follow similar retail format like Subject Property.

S. No.	Project Name	Location	Completion Year	GLA (in million sq. ft. (msf.))	Vacancy % (9M 2024)	Average Current Quoted Rental Range (Ground Floor – Vanilla)	Major Tenants
1	DLF Cyber Hub	Sector 24, Gurugram	2013	0.49 msf	0 – 1%	225 – 250	Decathlon, Uniqlo, Marks & Spencer, Nike, Modern Bazaar
2	Worldmark Aerocity	Aerocity District	2015	0.15 msf	3 – 5%	180 - 190	DragonFly, Plum by Bent Chair, Farzi Cafe
4	One Horizon Centre	Sector 43, Gurugram	2018	0.06 msf	0 – 1%	180 – 190	Cozy Box, Delhi Club House, Hahn's Kitchen, Brew Dog

### **3 Market Outlook**

The Subject Property along with Worldmark 1 is a leasehold property spread over a land area of approximately 7.6 Acres located in the Aerocity District or Airport District (DIAL). The Subject Property is prime front office asset and the only prominent developments in the Subject Micro Market which offers large integrated office development for the occupiers.

The Subject Micro Market has performed well amongst all the micro markets of NCR. The demand has outpaced supply of in the Subject Micro Market since 2015 resulting in a steep vacancy decline to approximately 3.9 % as of CY 2019. The effect of COVID-19 was visible with negative average net absorption resulting in increase of vacancy levels to approximately 18% from CY 2020. The market saw a surge in absorption from CY 2023 onwards pushing down the vacancy levels towards south reaching the vacancy level to approximately 6.9% as of 9M CY 2024.

The Micro-Market benefits the occupiers and their employees due to its proximity to IGI Airport and excellent integration of office, hospitality, and retail development. Further, with continuous traction from occupiers, the vacancy expected to be within 6%.

According to the market assessment provided, the current weighted quoted average office market rentals of Subject Micro Market is INR 229 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

According to the market assessment provided, the current weighted quoted average retail market rentals of Subject Micro Market is INR 180 - 185 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Work from home period has also significantly reduced and many organisations have started calling their workforce back to office (specially the front offices). Considering the well-maintained infrastructure, proximity to IGI Airport, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network), the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.



## **C    SUBJECT PROPERTY REPORT**



## 1. Address, Ownership and Title details of the Subject Property

Address:	Worldmark, Tower 2 & 3, Aerocity District, DIAL
Ownership & title details:	Land Tenure: Leasehold ( <i>Leasehold Till 2066</i> ) The development rights of the Subject Property are with Oak Infrastructure Developers Limited.

Source: Client Information

### 1.1 Encumbrances

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Khaitan & Co (Hereinafter referred to as 'Legal Counsels'). We have not checked and verified the title of the Subject Property.

### 1.2 Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### 1.3 Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

## 2. Location

### 2.1 General

The Subject Property along with Worldmark 1 is a leasehold property spread over a land area of approximately 10.97 Acres located in the Airport District, Delhi International Airport Limited (herein after referred to as “Subject Micro Market” or “DIAL” or “Aerocity District” or “Airport District”), New Delhi, NCR. The Subject Micro Market is one of the established office and retail micro-markets of Delhi NCR.

The Subject Property is accessible via Aerocity road which further connects it to National Highway 48 and makes it well connected to all key nodes of Delhi NCR.

Subject Property is in close proximity to existing metro viz. Delhi Aero City Metro Station, which further enhances its accessibility from different parts of NCR. Also, the upcoming silver line which is currently under construction will be connecting Delhi Aero City Metro Station to Tughlakabad Metro Station. This new line will further enhance the connectivity of Aerocity District (DIAL) to interior parts of Delhi.

The Subject Micro Market is also a prominent hospitality hub of NCR. Some of the prominent hotel in the vicinity of the Subject Property includes JW Marriott Hotel, Holiday Inn, Red Fox Hotel, Lemon Tree Hotel, Roseate House, Holiday Inn, Novotel.

The location map of the Subject Property is as follows:



Source: Cushman and Wakefield Research  
(Map not to scale)

Note: The demarcation above reflects the location and position of the Subject Property and is for representation purpose only.

### **Site Boundaries:**

The site boundaries for the Subject Property are as under:

- North: Premium Hotel
- East: Premium Hotel
- South: Internal Road
- West: Premium Hotel

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 0.2 km from Aerocity Road
- Approximately 0.8 km from Delhi Aero City Metro Station
- Approximately 01 - 02 km from NH - 8
- Approximately 04 – 05 km from Indira Gandhi International Airport (Terminal 3)
- Approximately 09 - 10 km from DLF Cyber City
- Approximately 15 - 16 km from Connaught Place

## **2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Conditions**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

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

### 3. Subject Property - Asset Description

The Subject Property consists of two towers i.e., Tower 2 and 3 which are as follows.

**Completed buildings with Occupancy Certificate (OC) received.**

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Floor (#)	Status	Expected Completion Date
Tower 2	433,072	6	Completed	NA
Tower 3	413,584	6	Completed	NA
<b>Total</b>	<b>846,656</b>			

*Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information*

### 3.1 Key Asset Information

Completed Buildings with Occupancy Certificates (OC) received.

#### Worldmark Tower 2

Particulars	Details
<b>Entity:</b>	Oak Infrastructure Developers Limited
<b>Asset Type:</b>	Commercial
<b>Sub-Market:</b>	DIAL (Aerocity District)
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~2.3
<b>Freehold/Leasehold:</b>	Leasehold Land
<b>Leasable Area: (including office, retail &amp; atelier)</b>	Office – 338,287 sq. ft.
	Retail – 35,632 sq. ft.
	Atelier – 59,153 sq. ft.
	Total – 433,072 sq. ft.
<b>Occupied Area: (including office, retail &amp; atelier)</b>	422,729 sq. ft.
<b>Occupancy %:</b>	~97.6%
<b>Current Effective Rent (excluding parking):</b>	INR 210 per sq. ft. per month (Office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 230 per sq. ft per month (Office, Retail and Atelier only)
<b>Number of Tenants:</b>	32* (Office)
	9 (Retail)
	18 (Atelier)

Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

Note: Refer company structure set out in (Annexure 2).

\*Bharti Group includes Bharti Land Limited and Alborz Developers Limited

**Worldmark Tower 3**

Particulars	Details
<b>Entity:</b>	Oak Infrastructure Developers Limited
<b>Asset Type:</b>	Commercial
<b>Sub-Market:</b>	DIAL (Aerocity District)
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~2.22
<b>Freehold/Leasehold:</b>	Leasehold Land
	Office - 323,989 sq. ft.
<b>Leasable Area: (including office, retail &amp; atelier)</b>	Retail – 27,143 sq. ft.
	Atelier – 62,453 sq. ft.
	Total – 413,584 sq. ft.
<b>Occupied Area: (including office, retail &amp; atelier)</b>	344,900 sq. ft.
<b>Occupancy %:</b>	~83.4%
<b>Current Effective Rent (excluding parking):</b>	INR 213 per sq. ft per month (office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 210 per sq. ft per month (Office, Retail and Atelier only)
<b>Number of Tenants:</b>	22 (Office)
	5 (Retail)

*Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

*Note: Refer company structure set out in (Annexure 2).*

### 3.2 Subject Property Inspection

#### Worldmark Tower 2

<b>Date of Inspection:</b>	The Subject Property comprising of Tower 2 which was physically inspected on 22 <sup>nd</sup> April 2024. No subsequent site visits have been conducted.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational building</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is a commercial cum retail space offering large floor plates and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Building:</b> <p>The operational building Worldmark (Tower 2) with OC received admeasure 433,072 sq. ft. of leasable area.</p> <p>The operational building comprises:</p> <ol style="list-style-type: none"> <li>Office: Worldmark (Tower 2) having leasable area of 338,287 sq. ft. The office tower is occupied by multiple tenants. Major tenants in these towers are Brookprop Management, The Bank of Tokyo, International Monetary Fund and Safran India Private Ltd.</li> <li>Retail: Ground floor and lower ground floor are dedicated for retail having total leasable area of 35,632 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B and shopping and convenience store. Major tenants in retail area are Plum by bend chair, One 8, Kylin etc.</li> <li>Atelier: Subject Property constitutes 59,153 sq. ft. of office area which are in form of office suites that can accommodate a select number of executives. Ateliers cater to all basic requirement of the occupiers viz. IT Support, secure internet connection, and access control.</li> </ol> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property has STP, rooftop solar panels, and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul> <p><b><u>Awards &amp; Certifications</u></b></p> <ul style="list-style-type: none"> <li>Subject property has been awarded LEED Platinum Rating for sustainability, BEE 5-star rating, Environmental, Best Kaizen for Safety Improvement in CII National Kaizen Circle Competition –</li> </ul>	

Platinum Award, and Best Digitization Kaizen in CII National Kaizen Circle Competition – Gold Award.

**Parking**

- The Subject Property also provides the car stacker parking lift facility at the basement one and two which allows to park multiple cars in a very limited space.
- The large parking requirement is catered by multilevel basements parking slots contributing to 877 parking spaces.

**Other Observations**

- The Subject Property has one entry and one exit points which are managed according to the traffic circulation plan.
- The visual inspection of the building area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- No instances of any major logging or water accumulation were observed during the inspection.
- The utility areas also appeared well maintained, visually.

*Source: Architect's Certificate (30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024.*

**Note:**

- a. *The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*



**Worldmark Tower 3**

<b>Date of Inspection:</b>	The Subject Property comprising of Tower 3 which was physically inspected on 22 <sup>nd</sup> April 2024. Subsequently no site visits have been conducted.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational building</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is a commercial cum retail space offering large floor plates and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li> <b>Completed/ Operational Building:</b> <p>The operational building Worldmark (Tower 3) with OC received admeasure 413,584 sq. ft. of leasable area.</p> <p>The operational building comprises:</p> <ol style="list-style-type: none"> <li>Office: Worldmark (Tower 3) having leasable area of 323,989 sq. ft. The office tower is occupied by multiple tenants. Major tenants in these towers are Mitsui, International Finance Corporation, Accenture, ESRI R&amp;D, and Chanel (India) Pvt. Ltd.</li> <li>Retail: Ground floor and lower ground floor are dedicated for retail having total leasable area of 27,143 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B and shopping and convenience store. Major tenants in retail area are Mesa, Nua café, Farzi Café etc.</li> <li>Atelier: Subject Property constitutes of 62,453 sq. ft. of office area which are in form of office suites that can accommodate a select number of executives. Ateliers cater to all basic requirement of the occupiers viz. IT Support, secure internet connection, and access control.</li> </ol> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property has STP, rooftop solar panels, and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul> <p><b><u>Awards &amp; Certifications</u></b></p> <ul style="list-style-type: none"> <li>Subject property has been awarded LEED Platinum Rating for sustainability, BEE 5-star rating, Environmental, Best Kaizen for Safety Improvement in CII National Kaizen Circle Competit-on - Platinum Award, and Best Digitization Kaizen in CII National Kaizen Circle Competit-on - Gold Award.</li> </ul>	

**Parking**

- The Subject Property also provides the car stacker parking lift facility at the basement one and two which allows to park multiple cars in a very limited space.
- The large parking requirement is catered by multilevel basements parking slots contributing to 789 parking spaces.

**Other Observations**

- The Subject Property has one entry and one exit points which are managed according to the traffic circulation plan.
- The visual inspection of the building area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- No instances of any major logging or water accumulation were observed during the inspection.
- The utility areas also appeared well maintained, visually.

*Source: Architect's Certificate (30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024.*

**Note:**

- b. *The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*

### 3.2.1 Investigation and nature and source of information

The Valuer undertook physical visits of the Subject Property wherein the building and related assets were visually inspected to assess the condition of the building and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the Property forming part of the REIT.

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30th October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations, and fire safety with respect to specific buildings in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### 3.2.2 Tenant Profile

#### TOWER 2

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~49% of leased area and ~44% of the gross rental income (including office, retail, and atelier tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Brookprop Management Services	46,933
2	MUFG Bank Limited	27,821
3	International Monetary Fund (IMF)	26,563
4	Bharti Realty*	18,966
5	Safran India Pvt. Ltd.	18,903
6	Sumitomo	15,200
7	Julius Baer	13,587
8	Lightspeed India Partners Advisors LLP	13,473
9	BAE Systems	13,074
10	Grant Thornton	11,807
<b>Total</b>		<b>206,327</b>

Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Brookprop Management Services	10%
2	MUFG Bank Limited	6%
3	International Monetary Fund (IMF)	6%
4	Safran India Pvt. Ltd.	4%
5	Bharti Realty*	4%
6	Sumitomo	3%
7	BAE Systems	3%
8	Lightspeed India Partners Advisors LLP	3%
9	Julius Baer	3%
10	Grant Thornton	3%
<b>Total</b>		<b>44%</b>

Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

\* Bharti Realty (Group Companies) includes (M/s Alborz Developers Limited and Bharti Land limited).

### TOWER 3

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~75% of leased area and ~76% of the gross rental income (including office, retail, and atelier tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Mitsui & Co.	62,018
2	International Finance Corporation	46,013
3	ESRI R&D	40,860
4	SMBC	34,319
5	Accenture	17,015
6	Bharat Certis Agriscience	12,308
7	GEAPP Serviceco (India) Private Limited	12,236
8	CDPQ	12,074
9	Chanel	11,819
10	SAS Institute	10,277
<b>Total</b>		<b>258,939</b>

Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

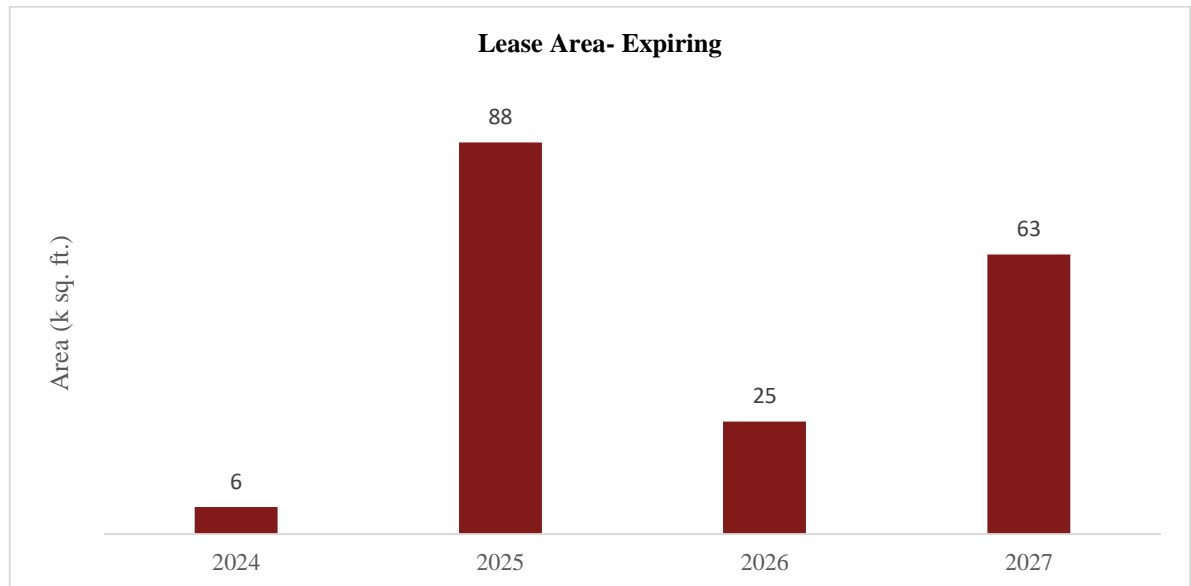
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Mitsui & Co.	20%
2	ESRI R&D	12%
3	International Finance Corporation	12%
4	SMBC	10%
5	Accenture	5%
6	GEAPP Serviceco (India) Private Limited	4%
7	CDPQ	4%
8	Chanel	3%
9	Bharat Certis Agriscience	3%
10	SAS Institute	3%
<b>Total</b>		<b>76%</b>

Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

### 3.2.3 Lease Expiry Profile

#### TOWER 2

The Weighted Average Lease Expiry (WALE) of the Subject Property is 4.6 years, with ~43% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office, retail, and atelier tenants).



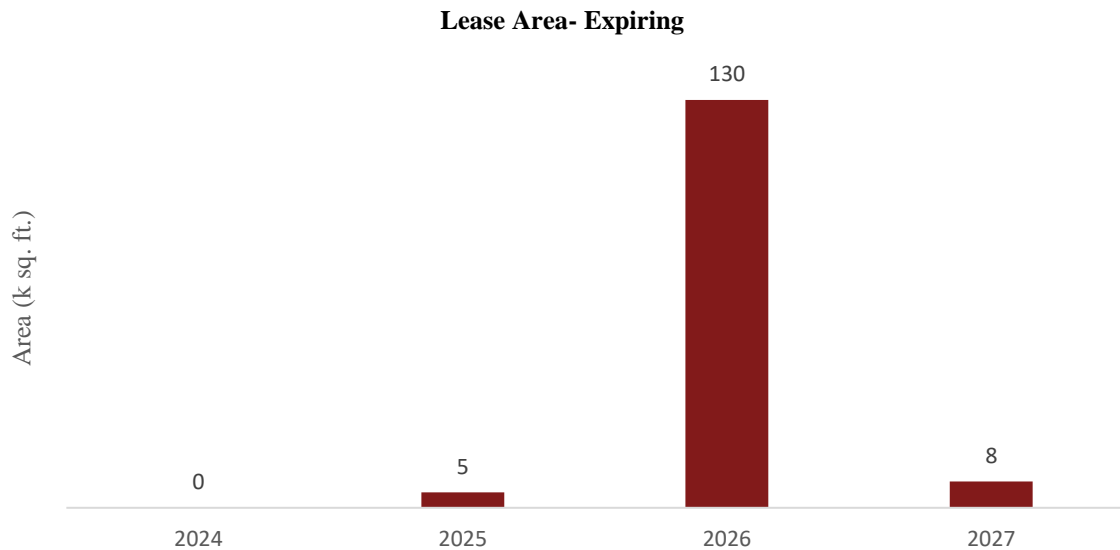
Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents October 2024 to December 2024.

### **TOWER 3**

The Weighted Average Lease Expiry (WALE) of the Subject Property is 5.2 years, with ~42% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office, retail, and atelier tenants).



*Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information*

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents October 2024 to December 2024.

### **3.3 Valuation Approach & Methodology**

#### **3.3.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

#### **3.3.2 Micro-Market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the Micro-Market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of commercial/ IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the Micro-Market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the Micro-Market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).



### 3.3.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. As the Subject Property is leasehold in nature, these cash flows have been projected for a duration until the land lease for the Subject Property expires. These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over the Subject Property land lease expiry time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period up till Subject Property land lease expiry.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Based on the contractual turnover rent percentage of respective tenants and average tenant sales psf per month, Turnover rent is estimated for each tenant and is compared with the minimum guaranteed rentals in line with the tenant contracts. The higher of the two is adopted for the purpose of estimating cash flows.

**Step 4:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income.

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The quarterly net cash flows over the land lease expiry period of the Subject Property have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 3.3.4 Information Sources:

Subject Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

### 3.4 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	42
Cashflow Exit Period	End Date	02-May-66

#### Subject Property Details: Completed Property

Subject Property Details	Unit	Tower 2	Tower 3
Total Leasable Area	sq. ft.	433,072	413,584
Area Leased	sq. ft.	422,729	344,900
Committed Occupancy*	%	97.6%	83.4%
Vacant Area	sq. ft.	10,343	68,685
Vacancy	%	2.4%	16.6%
Stabilized Vacancy	%	2.5%	2.5%
Further Leasing	sq. ft.	-	58,345
Existing Lease Rollovers	%	99.9%	100%
Rent Free Period – Existing Leases	Months	1	1
Rent Free Period – New Leases	Months	4	4
Total Parking Slots	#	877	789
Estimated Leasing Period	# of quarters	-	1

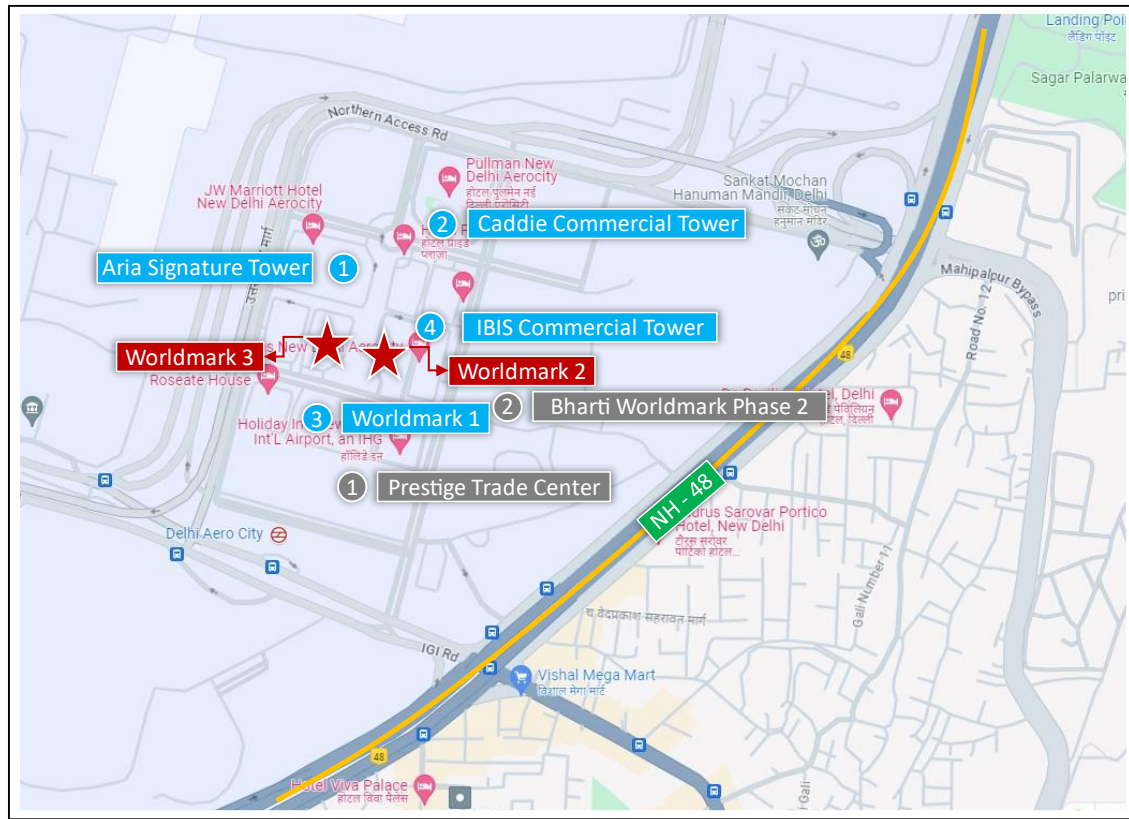
Source: Architect's Certificate (30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable area.

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2022 – 9M 2024, the Aerocity District (DIAL) has witnessed an average annual net absorption of approximately 0.06 msf.
  - Going forward, the Subject Micro Market is expected to have an average annual demand of approximately 1.45 msf per annum till 2026E.
  - For Tower 3 considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.06 msf within 1 quarter starting from April 2025 when Atelier area is operational and after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 6 months delay in leasing for the vacant spaces for Tower 3 and fresh spaces that may come up because of expiry of lease period in 2024.

**Subject Property and Relevant Existing/Upcoming Supply in the Aerocity District (DIAL) Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply and grey box signifies upcoming supply.

### Revenue Assumptions

Revenue Assumptions	Unit	Tower 2	Tower 3
Achievable Market Rent – Office	Per sq. ft. per month	INR 211	INR 211
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 215	INR 215
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 180	INR 180
Achievable Market Rent – Atelier (including Parking)	Per sq. ft. per month	INR 350	INR 350
Other Income	Per sq. ft. per month	INR 0.81	INR 0.77
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%	5.0%
O&M Markup Growth Rate –FY 26 onwards (excluding sinking fund)	% p.a.	5.0%	5.0%
Normal Market Lease Tenure	# of years	9	9
Normal Market Escalation at end	# of years	3	3
Market Escalation at the end of Escalation period	%	15%	15%
O&M Income for future leases	Per sq. ft. per month	INR 34.09	INR 33.23

- **Market rent - office:**

- Achievable market rent for Tower 2 & 3 includes parking charges of INR 4 per sq. ft. per month (considering the parking rent of INR 5,000 per slot per month)
- **Tower 2:** In year FY' 2024, approximately 0.06 msf was leased in the rental range of INR 200 – 220 per sq. ft. per month (including parking).
- **Tower 3:** From FY'2023 till FY' 2025, approximately 0.09 msf was leased in the rental range of INR 212 – 225 per sq. ft. per month (including parking).

#### **Tower 2: Lease Transactions FY' 2023-2025:**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
<b>Aerospace Entity</b>	2024	9,656	220
<b>Real Estate Entity</b>	2023	46,933	200

Source: Rent roll as of 30<sup>th</sup> September 2024 and Client Information

#### **Tower 3: Lease Transactions FY' 2023-2025:**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
<b>Engineering Company</b>	2023	9,177	225
<b>Financial Service Company</b>	2023	7,241	212
<b>Renewable Energy Company</b>	2023	12,236	220
<b>Power Company</b>	2023	3,842	220
<b>Financial Service</b>	2023	800	212
<b>Hospitality Company</b>	2024	3,194	223
<b>Mobility Services</b>	2024	8,123	217
<b>IT Company</b>	2024	40,860	215
<b>Engineering Company</b>	2024	2,689	218

Source: Rent roll as at 30<sup>th</sup> September 2024 and Client Information

- Considering the location, accessibility, quality, and size of the building, we expect the Subject property's monthly rental would be INR 215 per sq. ft. per month (inclusive of parking charges) and the same is considered for our calculations for both the towers.

- **Market rent growth rate:** Considering the current vacancy and future supply profile in the Subject Micro Market, we expect annual growth in achievable market rentals to be in the range of 5% in the medium to long term. Hence, we have considered a growth rate of 5.0% from FY'26 and onwards.
- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, and other charges. We have considered an annual growth of 5% on other income. Also, other income includes property tax recovery from the tenants as per the contract and the same are escalated at an annual growth rate of 5%.
- **O&M Income:** O&M Income were shared by the Client. O&M income constitutes, O&M Expense and Mark-up of 20% on O&M expense and sinking fund. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Income has been suitably adjusted to normalise it over the future tenure. O&M Income has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards excluding sinking fund.

### Operating Cost Assumptions

Cost Assumptions	Unit	Tower 2	Tower 3
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 13.26	INR 12.77
Other Costs for vacant Atelier area for the property owner	Per sq. ft./month	INR 47.25	INR 47.25
O&M Expense	Per sq. ft./month	INR 26.52	INR 25.54
Property Tax	Per sq. ft./month	INR 2.89	INR 2.65
Ground rent/ License Fee	Annual/ Million	98.13	92.09
Atelier Expense	Per sq. ft./month	INR 67.98	INR 68.96
Cost Escalation	% p.a.	5.0%	5.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for the year FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Atelier Expense:** Atelier Expense has been provided for the year FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Ground/ License Fee:** Ground Rent/ License Fee has been provided for FY'25 and the same has been projected to increase at 5.5% per annum from FY'26 onwards.
- **O&M Expense:** O&M Cost has been calculated basis markup of 20% on CAM income after deducting sinking fund and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Payroll Expense:** The Payroll expense for the period between 1st October 2024 – 31st March 2025 for WM2 & WM3 is considered to be INR 11.99 Million and the same has been apportioned between WM 2&3 on the basis of leasable area. The same has been converted to annual basis and escalated at 6.5% annually for subsequent years.

### **Discount Rate assumptions**

- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable REITs. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% was found to be aligned with the expectations of international investors investing in similar assets.

### 3.5 Market Value

The Valuer is of the opinion that the subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures Tower 2	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 12,524 Million	Indian Rupees Twelve Billion Five Hundred and Twenty-Four Million Only
Component	Market Value as on	In Figures Tower 3	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 11,749 Million	Indian Rupees Eleven Billion Seven Hundred and Forty-Nine Million Only

#### Ready Reckoner Rate

Component	Rate
Built up area	INR 9,480 per sq. mtr.
Land area*	INR 1,69,920 per sq. mtr.

*\*Circle rate of F zone - Delhi has been considered. Circle rate for residential use is INR 56,640 per. sq. mtr., to arrive at the commercial use the same has been multiplied with 3 as per the guideline.*

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



**Annexure 1: Cash Flows**

**Completed Buildings: Worldmark Tower 2**

Particulars	Unit	1-Oct-24	1-Oct-25	1-Oct-26	1-Oct-27	1-Oct-28	1-Oct-29	1-Oct-30	1-Oct-31	1-Oct-32	1-Oct-33	1-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals (Including Parking Income)	INR Million	1,177	1,215	1,265	1,290	1,340	1,395	1,448	1,517	1,594	1,662	1,768
CAM Income	INR Million	140	148	154	161	170	176	183	191	198	206	214
Other Income (Telecom)	INR Million	15	14	14	13	13	13	13	11	8	7	7
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,333</b>	<b>1,378</b>	<b>1,432</b>	<b>1,464</b>	<b>1,523</b>	<b>1,584</b>	<b>1,644</b>	<b>1,719</b>	<b>1,800</b>	<b>1,875</b>	<b>1,989</b>
<b><u>OPERATING COSTS</u></b>												
Ground Rent/ Liscence Fee	INR Million	(101)	(106)	(112)	(118)	(125)	(132)	(139)	(147)	(155)	(163)	(172)
Property Taxes	INR Million	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
O&M Expense	INR Million	(138)	(145)	(152)	(160)	(168)	(176)	(185)	(194)	(204)	(214)	(224)
Extra expense for Atelier	INR Million	(41)	(43)	(45)	(47)	(50)	(52)	(55)	(57)	(60)	(63)	(66)
Payroll Expense	INR Million	(13)	(13)	(14)	(15)	(16)	(17)	(18)	(20)	(21)	(22)	(24)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(308)</b>	<b>(324)</b>	<b>(341)</b>	<b>(358)</b>	<b>(377)</b>	<b>(397)</b>	<b>(417)</b>	<b>(439)</b>	<b>(462)</b>	<b>(486)</b>	<b>(512)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,025</b>	<b>1,054</b>	<b>1,092</b>	<b>1,106</b>	<b>1,146</b>	<b>1,187</b>	<b>1,226</b>	<b>1,280</b>	<b>1,338</b>	<b>1,389</b>	<b>1,478</b>
Maintenance Capex	INR Million	(12)	(13)	(14)	(14)	(15)	(16)	(17)	(17)	(18)	(19)	(20)
Brokerage Expenses	INR Million	(16)	(13)	(11)	(10)	(11)	(3)	(13)	(27)	(15)	(25)	(24)
Total construction costs	INR Million	(87)	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>910</b>	<b>1,028</b>	<b>1,067</b>	<b>1,082</b>	<b>1,120</b>	<b>1,169</b>	<b>1,197</b>	<b>1,235</b>	<b>1,305</b>	<b>1,345</b>	<b>1,433</b>



Particulars	Unit	1-Oct-35	1-Oct-36	1-Oct-37	1-Oct-38	1-Oct-39	1-Oct-40	1-Oct-41	1-Oct-42	1-Oct-43	1-Oct-44	1-Oct-45	1-Oct-46	1-Oct-47	1-Oct-48
		30-Sep-36	30-Sep-37	30-Sep-38	30-Sep-39	30-Sep-40	30-Sep-41	30-Sep-42	30-Sep-43	30-Sep-44	30-Sep-45	30-Sep-46	30-Sep-47	30-Sep-48	30-Sep-49
<b>OPERATING INCOME</b>															
Lease Rentals (Including Parking Income)	INR Million	1,824	1,899	2,021	2,112	2,185	2,307	2,410	2,495	2,658	2,773	2,888	3,073	3,211	3,322
CAM Income	INR Million	225	235	247	259	271	284	298	312	328	343	360	378	396	416
Other Income (Telecom)	INR Million	7	8	8	8	9	9	10	10	11	11	12	12	13	14
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,055</b>	<b>2,142</b>	<b>2,275</b>	<b>2,378</b>	<b>2,464</b>	<b>2,601</b>	<b>2,717</b>	<b>2,818</b>	<b>2,996</b>	<b>3,128</b>	<b>3,260</b>	<b>3,463</b>	<b>3,620</b>	<b>3,751</b>
<b>OPERATING COSTS</b>															
Ground Rent/ Lisence Fee	INR Million	(182)	(192)	(202)	(213)	(225)	(237)	(251)	(264)	(279)	(294)	(310)	(327)	(345)	(364)
Property Taxes	INR Million	(26)	(28)	(29)	(31)	(32)	(34)	(35)	(37)	(39)	(41)	(43)	(45)	(47)	(50)
O&M Expense	INR Million	(236)	(247)	(260)	(273)	(286)	(301)	(316)	(332)	(348)	(365)	(384)	(403)	(423)	(444)
Extra expense for Atelier	INR Million	(70)	(73)	(77)	(81)	(85)	(89)	(93)	(98)	(103)	(108)	(114)	(119)	(125)	(131)
Payroll Expense	INR Million	(25)	(27)	(29)	(31)	(33)	(35)	(37)	(39)	(42)	(45)	(48)	(51)	(54)	(57)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(539)</b>	<b>(567)</b>	<b>(597)</b>	<b>(628)</b>	<b>(661)</b>	<b>(695)</b>	<b>(732)</b>	<b>(770)</b>	<b>(811)</b>	<b>(853)</b>	<b>(898)</b>	<b>(945)</b>	<b>(995)</b>	<b>(1,047)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,517</b>	<b>1,575</b>	<b>1,679</b>	<b>1,750</b>	<b>1,804</b>	<b>1,905</b>	<b>1,985</b>	<b>2,047</b>	<b>2,185</b>	<b>2,274</b>	<b>2,362</b>	<b>2,518</b>	<b>2,625</b>	<b>2,704</b>
Maintenance Capex	INR Million	(21)	(22)	(23)	(24)	(26)	(27)	(28)	(30)	(31)	(33)	(34)	(36)	(38)	(40)
Brokerage Expenses	INR Million	(17)	(15)	(18)	(5)	(20)	(42)	(23)	(38)	(37)	(26)	(23)	(27)	(7)	(31)
Total construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,479</b>	<b>1,538</b>	<b>1,638</b>	<b>1,722</b>	<b>1,758</b>	<b>1,837</b>	<b>1,934</b>	<b>1,980</b>	<b>2,117</b>	<b>2,215</b>	<b>2,305</b>	<b>2,454</b>	<b>2,580</b>	<b>2,634</b>



Particulars	Unit	1-Oct-49	1-Oct-50	1-Oct-51	1-Oct-52	1-Oct-53	1-Oct-54	1-Oct-55	1-Oct-56	1-Oct-57	1-Oct-58	1-Oct-59	1-Oct-60	1-Oct-61	1-Oct-62	1-Oct-63	1-Oct-64	1-Oct-65
		30-Sep-50	30-Sep-51	30-Sep-52	30-Sep-53	30-Sep-54	30-Sep-55	30-Sep-56	30-Sep-57	30-Sep-58	30-Sep-59	30-Sep-60	30-Sep-61	30-Sep-62	30-Sep-63	30-Sep-64	30-Sep-65	2-May-66
<u>OPERATING INCOME</u>																		
Lease Rentals (Including Parking Income)	INR Million	3,508	3,664	3,794	4,041	4,217	4,392	4,673	4,884	5,052	5,334	5,572	5,768	6,144	6,412	6,679	7,105	4,338
CAM Income	INR Million	436	457	480	503	528	554	581	610	640	671	705	739	776	814	855	897	627
Other Income (Telecom)	INR Million	14	15	16	17	17	18	19	20	21	22	23	24	26	27	28	30	21
Total Income from occupancy	INR Million	3,958	4,136	4,289	4,561	4,762	4,964	5,273	5,514	5,713	6,028	6,299	6,532	6,946	7,253	7,562	8,032	4,986
<u>OPERATING COSTS</u>																		
Ground Rent/ Lisence Fee	INR Million	(385)	(406)	(428)	(452)	(476)	(503)	(530)	(559)	(590)	(623)	(657)	(693)	(731)	(771)	(814)	(858)	(601)
Property Taxes	INR Million	(52)	(55)	(58)	(60)	(63)	(67)	(70)	(73)	(77)	(81)	(85)	(89)	(94)	(98)	(103)	(109)	(76)
O&M Expense	INR Million	(466)	(490)	(514)	(540)	(567)	(595)	(625)	(656)	(689)	(724)	(760)	(798)	(838)	(880)	(924)	(970)	(676)
Extra expense for Atelier	INR Million	(138)	(145)	(152)	(160)	(168)	(176)	(185)	(194)	(204)	(214)	(225)	(236)	(248)	(260)	(273)	(287)	(200)
Payroll Expense	INR Million	(61)	(65)	(69)	(74)	(79)	(84)	(89)	(95)	(101)	(108)	(115)	(122)	(130)	(139)	(148)	(157)	(111)
Total Operating Costs	INR Million	(1,102)	(1,160)	(1,221)	(1,286)	(1,353)	(1,424)	(1,499)	(1,578)	(1,662)	(1,749)	(1,841)	(1,938)	(2,041)	(2,148)	(2,262)	(2,381)	(1,664)
Net operating Income	INR Million	2,856	2,976	3,068	3,275	3,409	3,540	3,774	3,935	4,051	4,279	4,458	4,594	4,905	5,105	5,300	5,651	3,322
Maintenance Capex	INR Million	(42)	(44)	(46)	(48)	(51)	(53)	(56)	(59)	(62)	(65)	(68)	(71)	(75)	(79)	(83)	(87)	(61)
Brokerage Expenses	INR Million	(65)	(35)	(59)	(58)	(40)	(36)	(42)	(11)	(47)	(100)	(54)	(92)	(90)	(63)	(55)	(65)	(14)
Total construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cashflows	INR Million	2,750	2,897	2,963	3,169	3,317	3,451	3,675	3,866	3,942	4,114	4,336	4,431	4,740	4,963	5,162	5,499	3,247

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



**Completed Buildings: Worldmark Tower 3**

Particulars	Unit	1-Oct-24	1-Oct-25	1-Oct-26	1-Oct-27	1-Oct-28	1-Oct-29	1-Oct-30	1-Oct-31	1-Oct-31	1-Oct-32	1-Oct-33	1-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35	
<b><u>OPERATING INCOME</u></b>													
Lease Rentals( including parking)	INR Million	923	1,159	1,205	1,292	1,349	1,418	1,438	1,475	1,550	1,615	1,710	
CAM Income	INR Million	125	128	136	140	145	150	155	170	192	212	222	
Other Income	INR Million	13	13	11	11	12	12	12	10	8	6	6	
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,061</b>	<b>1,300</b>	<b>1,351</b>	<b>1,443</b>	<b>1,506</b>	<b>1,580</b>	<b>1,605</b>	<b>1,655</b>	<b>1,750</b>	<b>1,833</b>	<b>1,938</b>	
<b><u>OPERATING COSTS</u></b>													
CAM Costs For Vacant Areas	INR Million	(17)	-	-	-	-	-	-	-	-	-	-	
Ground Rent/ Licence Fee	INR Million	(95)	(100)	(105)	(111)	(117)	(124)	(130)	(138)	(145)	(153)	(162)	
Property Taxes	INR Million	(13)	(14)	(15)	(16)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
O&M Expense	INR Million	(113)	(133)	(140)	(147)	(154)	(162)	(170)	(178)	(187)	(197)	(206)	
Additional Expense for Atelier	INR Million	(25)	(52)	(55)	(57)	(60)	(63)	(66)	(70)	(73)	(77)	(81)	
Payroll Expense	INR Million	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(23)	
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(275)</b>	<b>(312)</b>	<b>(328)</b>	<b>(345)</b>	<b>(363)</b>	<b>(382)</b>	<b>(402)</b>	<b>(423)</b>	<b>(445)</b>	<b>(469)</b>	<b>(493)</b>	
<b>Net operating Income</b>	<b>INR Million</b>	<b>786</b>	<b>988</b>	<b>1,023</b>	<b>1,097</b>	<b>1,142</b>	<b>1,198</b>	<b>1,203</b>	<b>1,231</b>	<b>1,304</b>	<b>1,365</b>	<b>1,445</b>	
Maintenance Capex	INR Million	(12)	(12)	(13)	(14)	(14)	(15)	(16)	(17)	(17)	(18)	(19)	
Brokerage Expenses	INR Million	(43)	(16)	(17)	(1)	(2)	-	(6)	(29)	(24)	(33)	(25)	
Construction costs	INR Million	(461)	-	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>271</b>	<b>960</b>	<b>993</b>	<b>1,083</b>	<b>1,126</b>	<b>1,183</b>	<b>1,181</b>	<b>1,186</b>	<b>1,263</b>	<b>1,313</b>	<b>1,401</b>	



Particulars	Unit	1-Oct-35	1-Oct-36	1-Oct-37	1-Oct-38	1-Oct-39	1-Oct-40	1-Oct-41	1-Oct-42	1-Oct-43	1-Oct-44	1-Oct-45	1-Oct-46	1-Oct-47	1-Oct-48
		30-Sep-36	30-Sep-37	30-Sep-38	30-Sep-39	30-Sep-40	30-Sep-41	30-Sep-42	30-Sep-43	30-Sep-44	30-Sep-45	30-Sep-46	30-Sep-47	30-Sep-48	30-Sep-49
<b><u>OPERATING INCOME</u></b>															
Lease Rentals( including parking)	INR Million	1,785	1,895	1,975	2,083	2,171	2,232	2,356	2,495	2,579	2,715	2,882	3,004	3,168	3,302
CAM Income	INR Million	233	244	256	268	281	294	309	324	339	356	373	391	410	430
Other Income	INR Million	7	7	7	8	8	8	9	9	10	10	11	11	12	12
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,025</b>	<b>2,146</b>	<b>2,238</b>	<b>2,359</b>	<b>2,460</b>	<b>2,535</b>	<b>2,674</b>	<b>2,828</b>	<b>2,928</b>	<b>3,080</b>	<b>3,266</b>	<b>3,406</b>	<b>3,590</b>	<b>3,744</b>
<b><u>OPERATING COSTS</u></b>															
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ground Rent/ Licence Fee	INR Million	(171)	(180)	(190)	(200)	(211)	(223)	(235)	(248)	(262)	(276)	(291)	(307)	(324)	(342)
Property Taxes	INR Million	(23)	(24)	(25)	(27)	(28)	(29)	(31)	(32)	(34)	(36)	(38)	(39)	(41)	(43)
O&M Expense	INR Million	(217)	(227)	(239)	(251)	(263)	(277)	(290)	(305)	(320)	(336)	(353)	(371)	(389)	(409)
Additional Expense for Atelier	INR Million	(85)	(89)	(93)	(98)	(103)	(108)	(113)	(119)	(125)	(131)	(138)	(145)	(152)	(160)
Payroll Expense	INR Million	(24)	(26)	(27)	(29)	(31)	(33)	(35)	(38)	(40)	(43)	(45)	(48)	(51)	(55)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(519)</b>	<b>(546)</b>	<b>(575)</b>	<b>(605)</b>	<b>(637)</b>	<b>(670)</b>	<b>(705)</b>	<b>(742)</b>	<b>(781)</b>	<b>(822)</b>	<b>(865)</b>	<b>(910)</b>	<b>(958)</b>	<b>(1,008)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,506</b>	<b>1,600</b>	<b>1,663</b>	<b>1,754</b>	<b>1,824</b>	<b>1,865</b>	<b>1,969</b>	<b>2,086</b>	<b>2,147</b>	<b>2,259</b>	<b>2,401</b>	<b>2,496</b>	<b>2,632</b>	<b>2,736</b>
Maintenance Capex	INR Million	(20)	(21)	(22)	(23)	(24)	(26)	(27)	(28)	(30)	(31)	(33)	(34)	(36)	(38)
Brokerage Expenses	INR Million	(26)	(1)	(4)	-	(10)	(45)	(38)	(52)	(39)	(40)	(2)	(6)	-	(15)
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,460</b>	<b>1,577</b>	<b>1,638</b>	<b>1,731</b>	<b>1,790</b>	<b>1,794</b>	<b>1,904</b>	<b>2,006</b>	<b>2,078</b>	<b>2,187</b>	<b>2,366</b>	<b>2,456</b>	<b>2,596</b>	<b>2,683</b>

**Worldmark 2 and 3  
Aerocity District, DIAL, NCR**



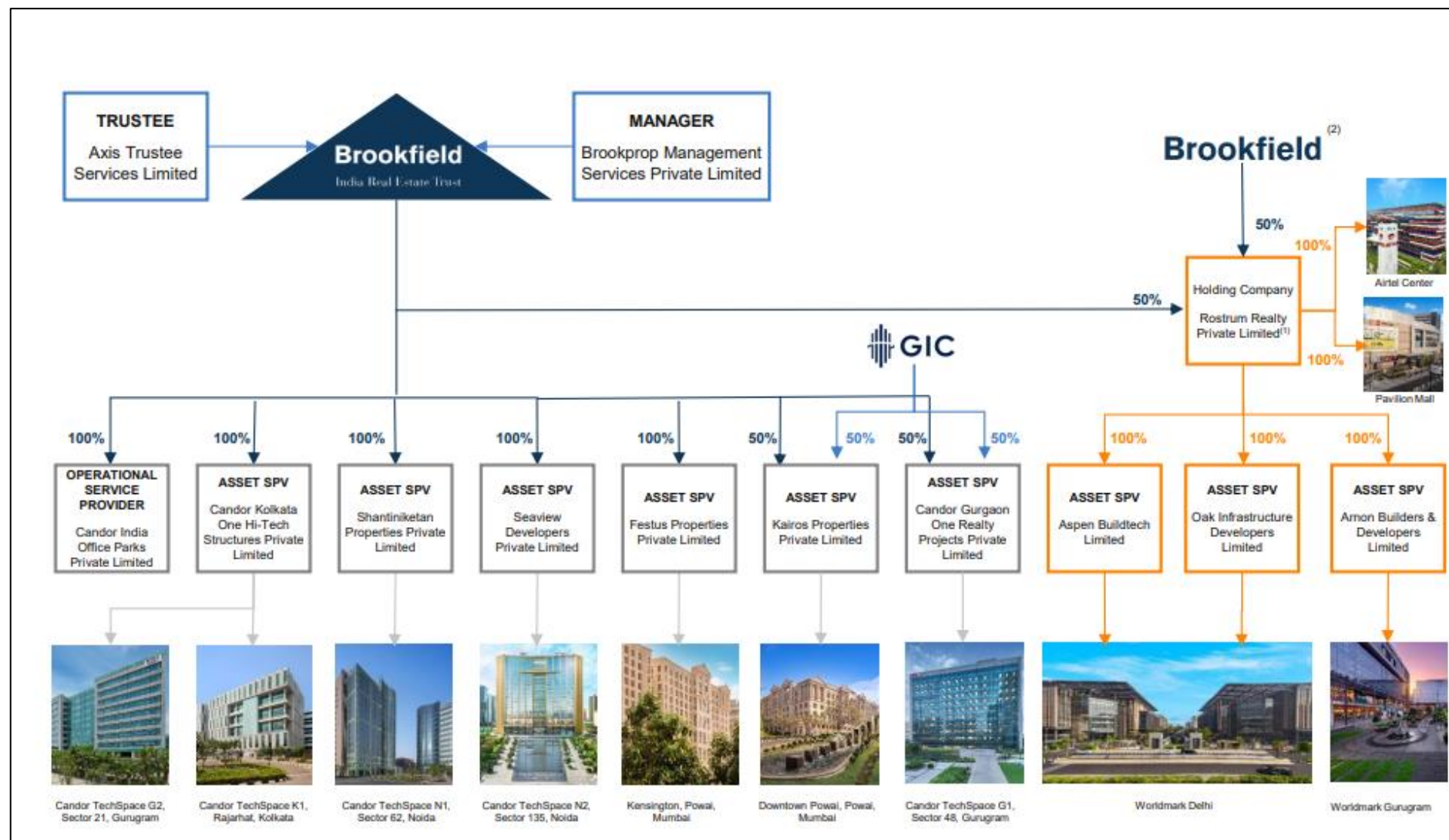
Particulars	Unit	1-Oct-49	1-Oct-50	1-Oct-51	1-Oct-52	1-Oct-53	1-Oct-54	1-Oct-55	1-Oct-56	1-Oct-57	1-Oct-58	1-Oct-59	1-Oct-60	1-Oct-61	1-Oct-62	1-Oct-63	1-Oct-64	1-Oct-65
		30-Sep-50	30-Sep-51	30-Sep-52	30-Sep-53	30-Sep-54	30-Sep-55	30-Sep-56	30-Sep-57	30-Sep-58	30-Sep-59	30-Sep-60	30-Sep-61	30-Sep-62	30-Sep-63	30-Sep-64	30-Sep-65	30-Sep-66
<b>OPERATING INCOME</b>																		
Lease Rentals( including parking)	INR Million	3,394	3,582	3,810	3,921	4,127	4,383	4,568	4,819	5,022	5,159	5,446	5,800	5,961	6,276	6,667	6,948	3,870
CAM Income	INR Million	451	473	496	520	546	573	601	630	661	694	728	764	801	841	882	926	563
Other Income	INR Million	13	14	14	15	16	17	17	18	19	20	21	22	23	24	26	27	17
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>3,858</b>	<b>4,069</b>	<b>4,320</b>	<b>4,456</b>	<b>4,689</b>	<b>4,973</b>	<b>5,186</b>	<b>5,467</b>	<b>5,702</b>	<b>5,873</b>	<b>6,195</b>	<b>6,585</b>	<b>6,786</b>	<b>7,141</b>	<b>7,575</b>	<b>7,900</b>	<b>4,449</b>
<b>OPERATING COSTS</b>																		
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ground Rent/ Licence Fee	INR Million	(361)	(381)	(402)	(424)	(447)	(472)	(498)	(525)	(554)	(584)	(616)	(650)	(686)	(724)	(764)	(806)	(491)
Property Taxes	INR Million	(46)	(48)	(50)	(53)	(55)	(58)	(61)	(64)	(67)	(71)	(74)	(78)	(82)	(86)	(90)	(95)	(58)
O&M Expense	INR Million	(429)	(450)	(473)	(497)	(521)	(547)	(575)	(604)	(634)	(665)	(699)	(734)	(770)	(809)	(849)	(892)	(542)
Additional Expense for Atelier	INR Million	(168)	(176)	(185)	(194)	(204)	(214)	(225)	(236)	(248)	(260)	(273)	(287)	(301)	(316)	(332)	(348)	(212)
Payroll Expense	INR Million	(58)	(62)	(66)	(71)	(75)	(80)	(85)	(91)	(97)	(103)	(110)	(117)	(124)	(132)	(141)	(150)	(92)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(1,061)</b>	<b>(1,117)</b>	<b>(1,176)</b>	<b>(1,238)</b>	<b>(1,303)</b>	<b>(1,371)</b>	<b>(1,443)</b>	<b>(1,519)</b>	<b>(1,599)</b>	<b>(1,683)</b>	<b>(1,772)</b>	<b>(1,865)</b>	<b>(1,964)</b>	<b>(2,067)</b>	<b>(2,176)</b>	<b>(2,291)</b>	<b>(1,395)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,796</b>	<b>2,952</b>	<b>3,144</b>	<b>3,218</b>	<b>3,386</b>	<b>3,601</b>	<b>3,743</b>	<b>3,948</b>	<b>4,103</b>	<b>4,190</b>	<b>4,423</b>	<b>4,720</b>	<b>4,822</b>	<b>5,074</b>	<b>5,399</b>	<b>5,610</b>	<b>3,054</b>
Maintenance Capex	INR Million	(40)	(42)	(44)	(46)	(48)	(51)	(53)	(56)	(59)	(62)	(65)	(68)	(72)	(75)	(79)	(83)	(50)
Brokerage Expenses	INR Million	(70)	(59)	(80)	(60)	(62)	(3)	(9)	-	(23)	(108)	(91)	(124)	(93)	(97)	(5)	(14)	-
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>2,687</b>	<b>2,851</b>	<b>3,020</b>	<b>3,112</b>	<b>3,276</b>	<b>3,547</b>	<b>3,681</b>	<b>3,892</b>	<b>4,021</b>	<b>4,020</b>	<b>4,267</b>	<b>4,528</b>	<b>4,657</b>	<b>4,902</b>	<b>5,315</b>	<b>5,513</b>	<b>3,004</b>

Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.





Annexure 2: Ownership Structure



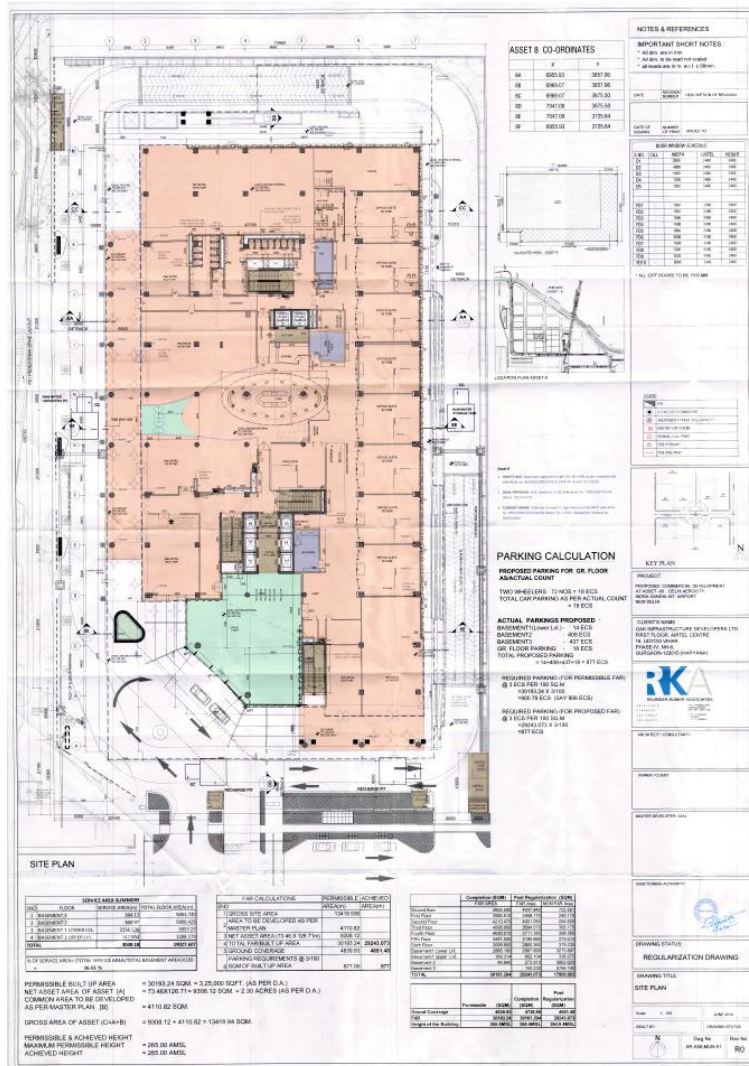




# Worldmark 2 and 3 Aerocity District, DIAL, NCR



## Worldmark 3



Source: As provided by Client



**Annexure 4: Subject Property Photographs**



View of Subject Property- Worldmark 3



View of Subject Property- Worldmark 2



Internal view of the Subject Property



Internal View of the Subject Property



View of Food Court



View of Food Court



Internal View of the Subject Property



External View of the Subject Property



Primary Access Road of the Subject Property



View of NH-48 (Secondary access road)

**Annexure 5: Statement of Key assets**

Building	No/Name	Worldmark 2	Worldmark 3
No. of DG Capacity	KVA	(2 X1500 KVA) (1X 750 KVA)	(2 X1500 KVA) (1X 750 KVA)
No. of Transformer/Capacity	KVA	(2X2000 KVA)	(2X2000 KVA)
Chiller Rating	TR	3*360TR	3*360TR
Cooling Tower		3*360TR	3*360TR
FF Systems	KW/HP	Sprinkler Jockey 1*7.5 HP, 5.5 kw Hydrant Jockey 1*7.5 HP, 5.5 Kw Main Sprinkler pump 100 HP, 75 KW Main Hydrant pump 100 HP, 75 KW Fire Diesel pump 152 HP 112 KW	Sprinkler Jockey 1*7.5 HP, 5.5 kw Hydrant Jockey 1*7.5 HP, 5.5 Kw Main Sprinkler pump 100 HP, 75 KW Main Hydrant pump 100 HP, 75 KW Fire Diesel pump 152 HP 112 KW
Water pumping System	KW/HP	Treated water transfer pump 2 * 7.5 Kw Soft water transfer pump 2 * 7.5 Kw RO water Transfer Pump 2* 3 KW STP - Softener 2* 2.2 KW STP - Flushing Water 2*5.5 Kw	Treated water transfer pump 2 * 7.5 Kw Soft water transfer pump 2 * 5 KW 7.5 HP RO water Transfer Pump 2* 3 KW STP - Softener 2* 1.5 KW STP - Flushing Water 2*5.5 Kw
STP Rating	KLD	1* 250 KLD	1* 250 KLD
Warnshell/Bareshell		Bareshell	Bareshell

Source: As provided by Client

**Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

**Approvals Received – Worldmark 2**

- a) Building Plan Approvals for all existing building and amendments thereof
- b) Full Completion Certificate received for the operational building
- c) Consent to Establish (CTE)
- d) Environment Clearance Certificate
- e) Fire Safety Certificate
- f) Height clearance NOC from AAI
- g) Consent to Operate (CTO)

**Approvals Received – Worldmark 3**

- a) Building Plan Approvals for all existing building and amendments thereof
- b) Full Completion Certificate received for the operational building
- c) Consent to Establish (CTE)
- d) Environment Clearance Certificate
- e) Fire Safety Certificate
- f) Height clearance NOC from AAI
- g) Consent to Operate (CTO)

**Annexure 7: Ready Reckoner Rate for Built Up area and Land Area**

**Land Area**

**ANNEXURE-1**

Minimum Rates (Circle Rates) for valuation of land and properties for the purpose of payment of stamp duty under Indian stamp Act. as applicable to Delhi & registration fees under the Registration Act, 1908 in Delhi:-

**1. Minimum land rate for Residential Use:-**

**Table-1.**

Category of the locality	Minimum rates for valuation of land for residential use (in Rs. Per Sq. mtr.)
A	774000
B	245520
C	159840
D	127680
E	70080
F	56640
G	46200
H	23280

**2. Minimum Land Rates for Commercial, Industrial and other uses:-**

The following multiplying factors shall be employed to the above minimum land rates of residential use, to arrive at the cost of land under other following uses:-

**Table-1.1**

Use*	Public Utility e.g. private school, colleges, hospitals	Industrial	Commercial
Factor	2	2	3

\*Definition are as per unit area property tax system



## Built Up area

### 3. Minimum rates for cost of construction:-

#### 3.1 The base unit rate of cost of construction will be :-

Table-1.2

Category of the locality	Minimum rates of construction for residential use (in Rs. Per Sq. mtr.)	Minimum rates of construction for Commercial use (in Rs. Per Sq. mtr.)
A	21960	25200
B	17400	19920
C	13920	15960
D	11160	12840
E	9360	10800
F	8220	9480
G	6960	8040
H	3480	3960

3.2 In order to take into account the age of structures, the following multiplying factor shall be employed to the minimum cost of construction mentioned above:-

Year of completion	Prior to 1960	1960-69	1970-79	1980-89	1990-2000	2000 onwards
Age factor	0.5	0.6	0.7	0.8	0.9	1.0

3.3 To calculate the valuation of different structures, the following multiplying factors to the above minimum cost of construction shall be employed under colonies in G and H category:

Structure Type	Pucca	Semi-Pucca	Katcha
Multiplicative	1.0	0.75	0.5



## **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by Client, following major repairs / upgrades have been taken up in the past:

1. Upgrades:

For Worldmark 2:

- 1st For façade upgradation.
- Atelier 1 Extension to be initiated.

For Worldmark 3:

- 2nd-floor common area upgrade has been done.
- Currently Ground & first floor façade upgradation is in progress.
- Cowrks/Atelier 2 upgradation to be initiated at L.G &G.F.
- 1st & 2nd Floor Atrium oval wall Upgradation is in progress.

2. List of ESG initiatives:

- Installation of RECD at DG in Wm-2 and for WM-3 it is in progress.
- Installation of EV vehicle charger
- Installation of OWC machine
- Installation of Anti-smog gun from scrap material.
- Installation of Green Energy meter for promoting green energy

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations, or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.



5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates, and employees, must not use, reproduce, or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



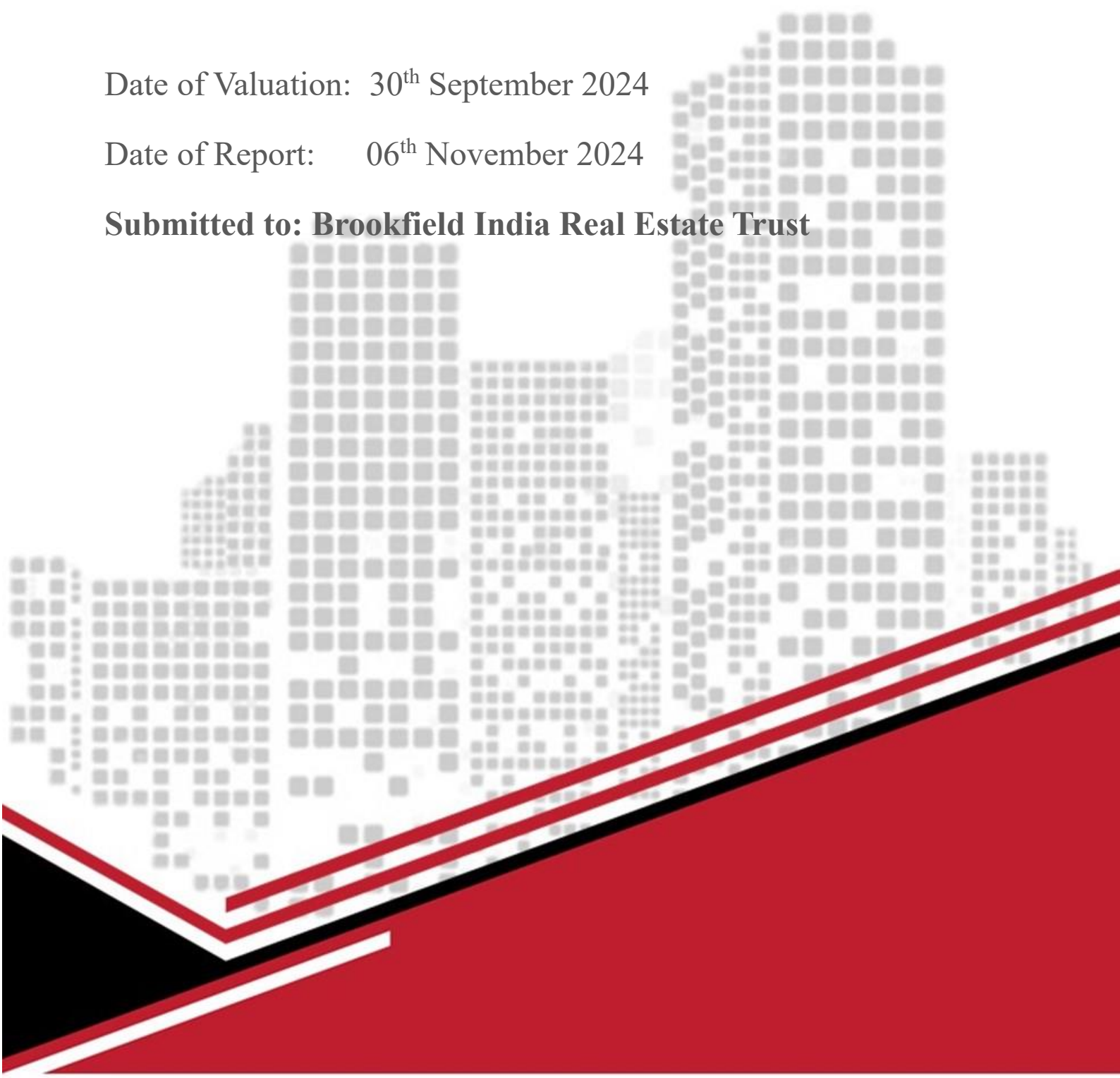
# VALUATION REPORT

**Worldmark Gurugram, Sector - 65, Gurugram, Haryana**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 06<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**





**Disclaimer**





*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> August 2024 to Letter of Engagement ("LOE") dated 23<sup>rd</sup> December 2022 & addendum to LOE dated 22<sup>nd</sup> September 2023 without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23<sup>rd</sup> December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

<b>Worldmark Gurugram, Sector 65, Gurugram, Haryana</b>		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	
<b>Site Visit Date:</b>	22 <sup>nd</sup> April 2024 (Subsequently no site visits have been conducted)	
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.	
<b>Valuation Purpose:</b>	Disclosure of valuation of assets forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014	
<b>Location / Situation:</b>	<p>Worldmark Gurugram (herein after referred to as “Subject Property”) is located in Sector 65, Golf Course Extension Road, Gurugram, Haryana, one of the emerging office destinations of Gurugram.</p> <p>The Subject Property is accessible via 30-metre-wide (proposed to be 60-metre-wide as per Gurugram-Manesar Master Plan 2031) Maidawas Road which is running parallel to Golf Course Extension Road (hereinafter referred to as the “Subject Micro Market”).</p> <p>The profile of surrounding development for the Subject Property constitutes residential and commercial developments. The Subject Property is well connected with other parts of the city through road and other infrastructure.</p> <p>Some of the key developments in the Subject Micro Market are –</p> <ul style="list-style-type: none"> <li>• Office: Subject Property, Pioneer Square, M3M International Financial Center Iconic Tower, M3M Urbana Business Park, and others.</li> <li>• Retail: Subject Property, M3M Route 65 (upcoming), Elan Empire, AIPL Joy Square (upcoming) and others.</li> <li>• Residential: Emaar Digi Homes, Mahindra Luminaire, DLF The Arbour (upcoming), Urban Oasis (upcoming), TARC Ishvaa (upcoming) and others.</li> </ul>	 External view of the Subject Property
<b>Description:</b>	<p>Worldmark Gurugram is a mixed-use complex (office cum retail development). The Subject Property constitutes 3 completed office buildings, a retail building, and a dedicated building for Multiplex (with OC received). The details of the same are:</p> <p>Completed/ Operational Buildings: Tower 1, 2, 3 are office buildings with retail on ground floor and first floor. Tower 4 is retail building. Tower 5 is dedicated for five-screen multiplex which is leased to PVR INOX and fine dining restaurant on lower ground floor.</p> <p>The Completed buildings collectively admeasure 7,51,397 sq. ft. of leasable area, out of which 4,77,559 sq. ft. of area is office space and 2,73,838 sq. ft. of area is retail. Currently the committed occupancy* in the Completed buildings is 91.4% (occupancy for office space is 89% and occupancy for retail space is approximately 96%).</p> <p>Tower 1: Consists of G+13 structure with total leasable area of approximately 1,75,731 sq. ft. Some of the key office tenants in the Tower</p>	 External view of the Subject Property
		 View of the Office Space
		 Primary access of the Subject Property

	<p>are Terumo, WhiteLand Corporation Private Limited, Signature Sattva, and Asics India Private Limited etc. Retail tenants in the tower include Tanishq and Beliram among others.</p> <p>Tower 2: Consists of G+8 structure with total leasable area of approximately 2,64,417 sq. ft. Some of the key office tenants in the tower are Airtel International LLP, Mando, and Yum India Technology Solutions, etc. Retail tenants in the tower include Croma, Modern Bazar, and Geetanjali Saloon among others.</p> <p>Tower 3: Consists of G+6 structure with total leasable area of approximately 1,83,436 sq. ft. Some of the key office tenants in the tower are Phillips India Limited, PNB Metlife India Insurance Company Limited, Rational International India Private Limited, etc. Retail tenants in the tower include Hamleys, Kaboom, and Puma, etc. Tower 3 also features a food court which includes tenants such as Haldiram's, Burger King, and Karim's among others.</p> <p>Tower 4: The retail complex (including shops and eateries) consists of G+S+2 structure with total leasable area of 57,602 sq. ft. is designed to provide the experience of premium socializing zone that has food &amp; entertainment at its core. The retail complex has a scenic central court and water fountain with automatic lighting system. Some of the key tenants in the tower include Starbucks, Dhaba, Café Houz, and Glasshouse, etc.</p> <p>Tower 5 (Includes Multiplex): Tower 5 consists of G+2 structure with total leasable area of approximately 70,211 sq. ft. The tower includes a five-screen multiplex which is spread across leasable area of 44,405 sq. ft. and is leased to PVR INOX for a period of 18 years. Few other tenants in the tower include Café Delhi Heights, Punjab Grill and You Mee among others.</p> <p>All the office towers of the Subject Property have dedicated entry and drop off zones. The total car parking capacity of the Subject Property is more than 1,028 slots, which are spread over three levels i.e., stilt and two basements.</p> <p>Tower 1, 2, and 3 of the Subject Property also feature a reception area and a waiting lounge at the first floor. The lifts installed in these towers work on the destination control system (i.e., automatic lift control system). Key amenities in the Subject Property include 100% Power Back Up, Intercom Facility, and 24X7 Security Service among others.</p> <p>The Subject Property has a unique ambience and design which provide a comfortable working environment while also serving as a leisure destination. The Subject Property also features amenities such as zero water wastage system, rooftop solar panel, double glaze glass, green wall, rainwater harvesting pits, etc.</p>	
<b>Total Area:</b>	<p>Total Land Area: 6.7 Acres</p> <p>Leasable Area: 7,51,397 sq. ft.</p> <p>Total Leased Area: 6,86,879 sq. ft.</p>	



*Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

*\*Committed Occupancy: (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.*





**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property; as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 10,130 Million	Indian Rupees Ten Billion One Hundred and Thirty Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed, or considered in isolation from the full report.



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Subject Property:** Worldmark Gurugram, Sector- 65, Gurugram, Haryana

**Report Date:** 06<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust** (hereinafter referred to as the “Instructing Party” or the “Client”), has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Gurugram (hereinafter referred to as “Subject Property” and/or “Worldmark Gurugram, Sector - 65”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation, and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala, and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT Micro Markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

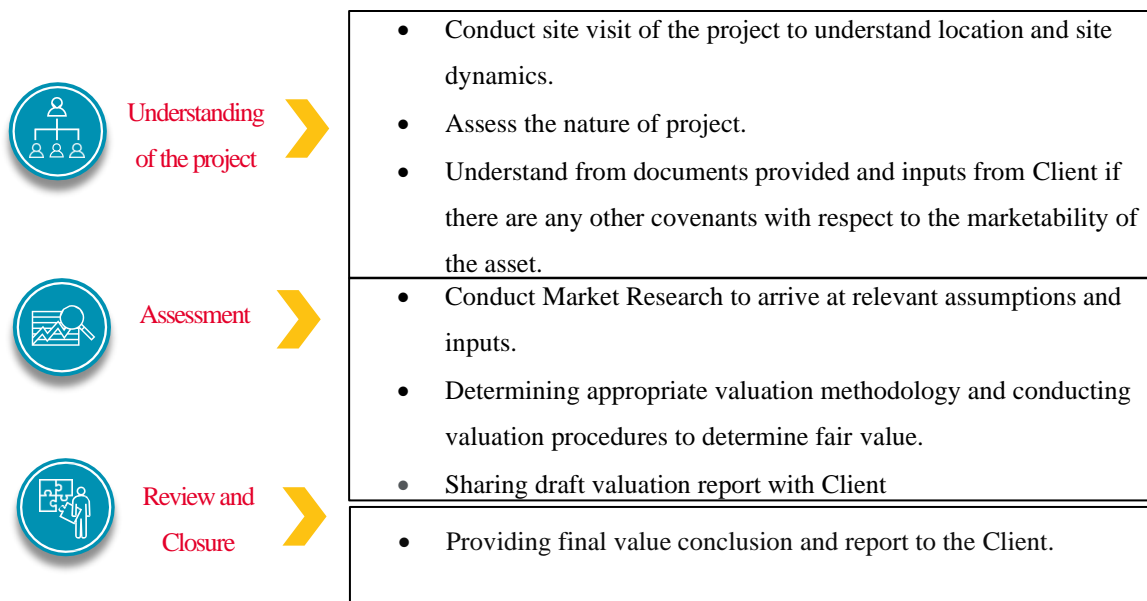
The purpose of this valuation is for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as *‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’*

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same may be derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the Subject Property.

*For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.*

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock - in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## 8 Inspection

The Property was inspected on 22<sup>nd</sup> April 2024 (Subsequently no site visits have been conducted) by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied



entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.



## 11 Authority

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by her due to such usage other than for the Acquisition as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in his favor, reasonably satisfactory to her for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement is extended to **Brookprop Management Services Private Limited ("Brookprop" or "The Manager")**, the **Brookfield India Real Estate Trust ("Brookfield REIT")** and their unit holders and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The auditors, debenture trustees, stock exchanges, unit holders of the REIT, **Securities and Exchange Board of India (SEBI)**, and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in this Agreement, the Valuer's total aggregate liability to the Manager arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the total fees paid to Valuer by Client hereunder.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT, the intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to





his inclusion as a necessary party/ respondent. In all such cases, the Manager agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by him while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against him in this regard.

#### **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

#### **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants, and undertakes that:

They are familiar with applicable Anti-Corruption Laws under this Agreement including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case she is insisted upon or asserted by the Client to violate any of the above said undertakings in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate this Agreement without any liability or obligation on his part.

Such termination of this Agreement shall not in any way prejudice the rights and obligations (including payment for the services delivered under this Agreement) already accrued to the Valuer, prior to such termination.



## **B National Capital Region Overview**

For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out Industry and Market Report.

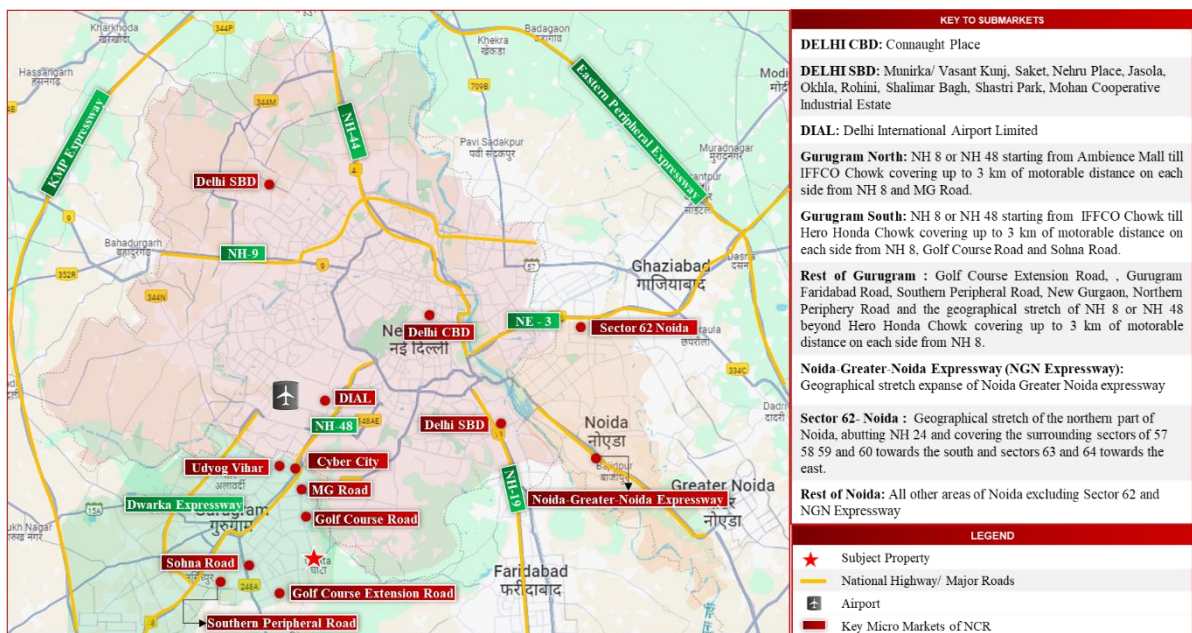
## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (*Source: www.un.org*). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh, and Rajasthan. In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

### 1.1 Real Estate Overview

#### Office

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The Micro Markets covered for the analysis are the prime contributors to the office supply in NCR.



*Source: Cushman and Wakefield Research  
(Map not to scale)*

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Rest of Gurugram)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida–Greater Noida (NGN) Expressway & Rest of Noida)

4. Delhi International Airport Limited (DIAL)

The table below highlight the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL	Gurugram*	Noida	Rest of Gurugram	Golf Course Extension Road^
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33	18.51	11.22
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62	11.52	7.30
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%	37.8%	34.9%
<b>Avg. Annual Absorption – CY 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16	1.22	1.12
<b>Future Supply Q4 CY 2024 E – CY 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09	1.92	1.92
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55	64	70

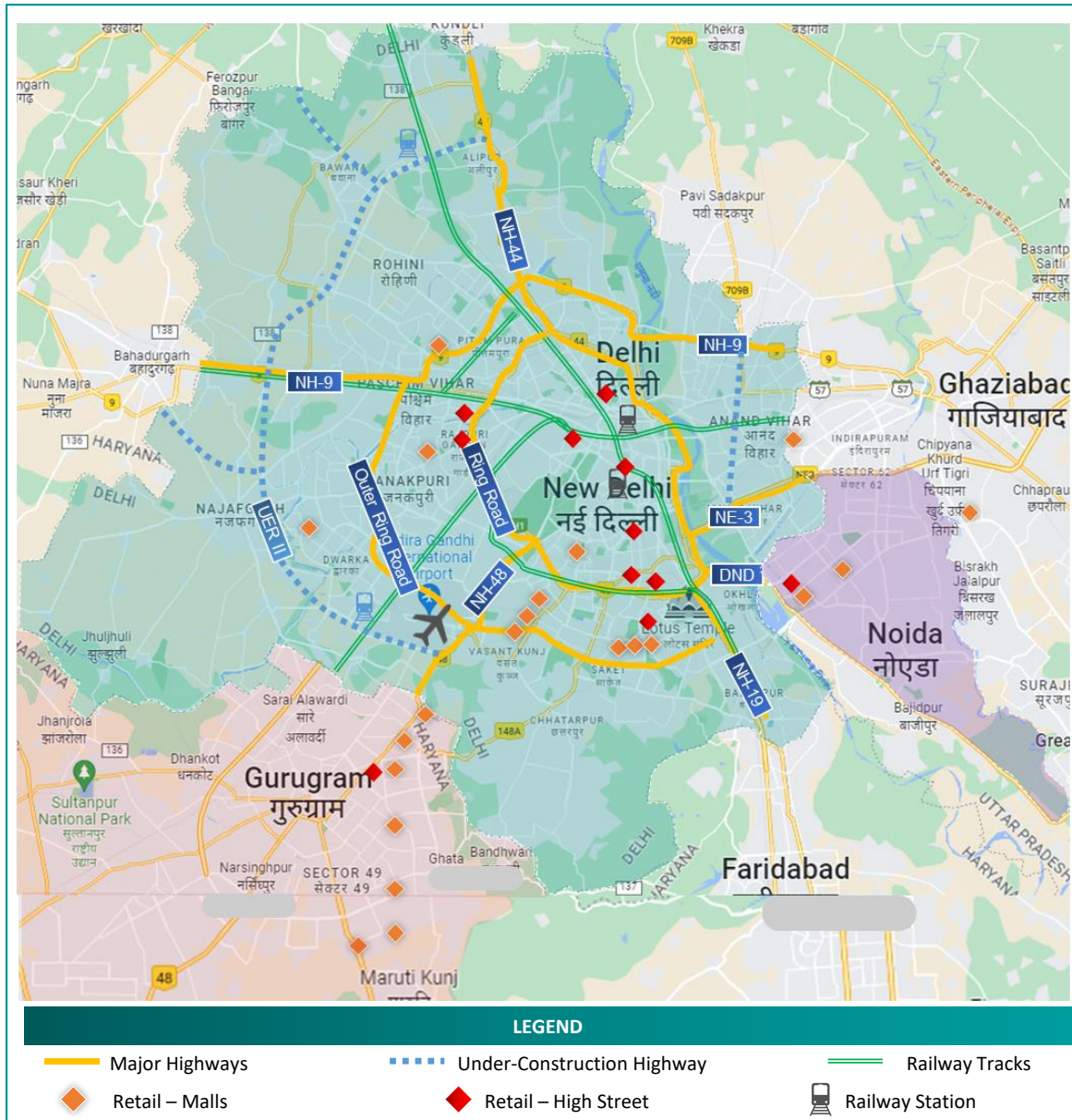
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT's city market for the Subject Property.
4. ^Subject Micro-Market within Brookfield India REIT's city market for Subject Property.
5. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria. Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. The net absorption value refers to the net additional leasing activity which has occurred in the year and excludes precommitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
7. Vacancy and Net Absorption numbers are computed on the relevant stock.
8. The future supply estimates are based on analysis of proposed and under construction buildings.
9. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters
10. Rentals presented above are quoted weighted average values on completed stock.

## Retail

National Capital Region (NCR) has become one of the largest retail markets in India. Delhi NCR offers a variety of retail formats with major chunk of supply concentrated in Delhi, Gurugram and Noida. The successful launch of three-office REITs in the Indian market paved way for first retail REIT, backed by Blackstone in 2023. The Retail landscape of the NCR is presented in the map below:



Source: C&WI Research; \*Map not to scale

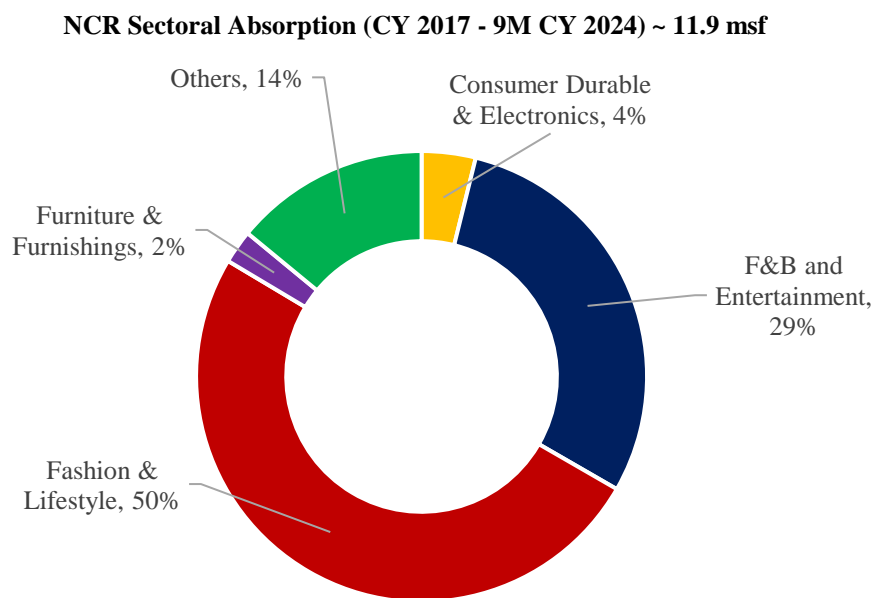
In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. Delhi NCR has adeptly embraced and accommodated this evolving trend. This significant change is indicative of a broader transformation in the retail landscape, driven by evolving consumer expectations, lifestyle choices, and a desire for more personalized and community-oriented experiences.



In urban centres around the world, F&B culture has emerged as a dominant force reshaping the retail landscape. Consumers, especially the working population, are increasingly prioritizing such experiences. They seek out dining experiences that also provide social interaction, entertainment, and an escape from their day-to-day life.

In Delhi-NCR specifically, traditional malls and high streets have focused on fashion ware. However, new establishments in Delhi-NCR have increasingly focused on creating specific F&B oriented spaces in order to create a unique and authentic dining experience for the visitors. Case in point, major retail destinations of Delhi-NCR today like DLF Cyber Hub (Gurugram), Worldmark Aerocity (Delhi), 32nd Milestone (Gurugram), Advant Navis (Noida) are primarily F&B focused destinations. Even large traditional malls like DLF Avenue (Delhi) and Gardens Galleria (Noida) have experienced expanding F&B areas.

The prominence of F&B can be seen in the sectoral chart of NCR below:



*Source: Cushman and Wakefield Research*

*Note: The data presented in the above chart is a representative data set of the major lease transactions that have happened since 2017.*

As illustrated in the chart above, F&B and entertainment tenants have contributed to 29% of the retail absorption from CY 2017 till 9M CY 2024. F&B and entertainment is the largest contributor after Fashion & Lifestyle.



The key drivers of demand for retail space in NCR are as follows:

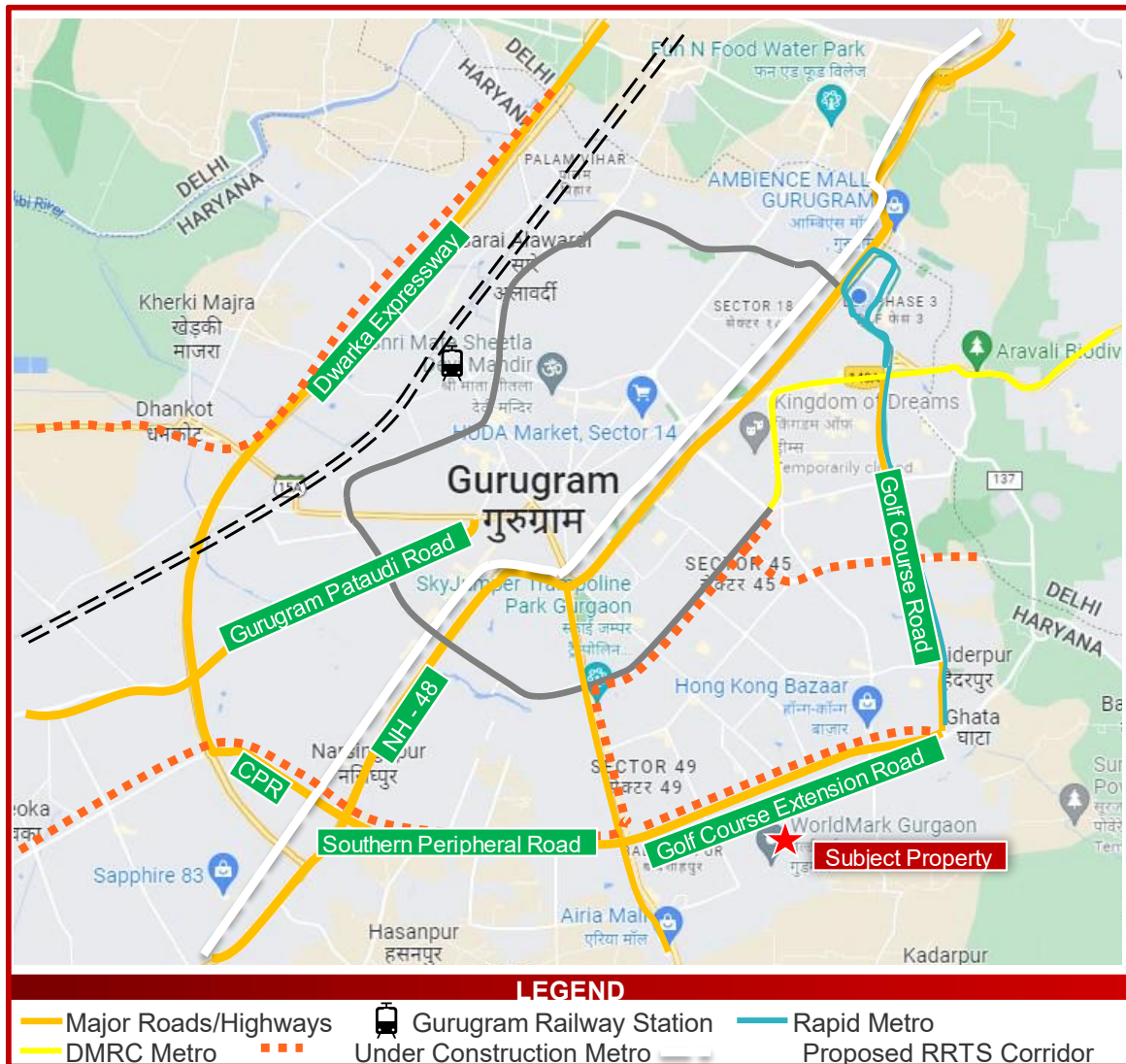
1. **Proximity to prominent residential nodes** - Malls located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor significantly enhances footfall and patronage. As residents are aspiring to a higher quality of life and modern amenities, retail developments are becoming integral to fulfilling their lifestyle aspirations.
2. **Lifestyle and Entertainment** – Gen Z and Millennial population today are increasingly on the lookout for destinations for shopping and entertainment. These people today enjoy higher disposable income and spending confidence. Retail developments with large entertainment spaces, multiplexes, salons, etc. attract higher footfall from this segment.
3. **Presence of office development** - Presence of social and lifestyle infrastructure near the office premises is more preferred by the working population. These amenities cater to the needs and preferences of the working population, providing opportunities for socializing, relaxation, and leisure activities. A retail development with F&B structure contributes to a better work-life balance for employees as they can easily unwind, socialize, or engage in recreational activities after work without having to commute far. Further, this provides convenient venues for informal business meetings, networking events, and client lunches.

## 2 Brookfield India REIT's City Market - Gurugram

Worldmark Gurugram is a freehold, Grade-A asset located in Gurugram city market of NCR. The Subject Micro Market has well-planned infrastructure, is in proximity to key office and residential vectors and has established social infrastructure.

### 2.1 Overview

Gurugram (often called the millennium city) is located towards the South-West of Delhi. Gurugram falls under the Indian state of Haryana. Gurugram district is the second largest city of Haryana and serves as its industrial and financial centre. As per the Census 2011, Gurugram has the 3rd highest per capita income in India after Chandigarh and Mumbai. The area of the Gurugram District is 1,258 sq. km.



Source: Cushman and Wakefield Research  
(Map not to scale)

Note: CPR stands for Central Peripheral Road

Note: The DMRC Yellow Line metro is under construction and will be extended from Millenial City Centre Gurugram to Udyog Vihar, via Old Gurugram and finally terminating at Cyber City rapid metro station. Also, a station for Delhi – Alwar RRTS is proposed to enter Gurugram from Aerocity with a station at Cyber City and Rajiv Chowk on NH – 48. The source for the said metro routes is the information available in the public domain and may differ subject to final approvals.





Connaught Place is at approximately 22 km from Cyber City. Further, the Indira Gandhi International Airport which is currently the only International Airport servicing the civil aviation demands of NCR is located at approximately 12 km from Cyber City. Compared to other suburban locations in Delhi, Gurugram enjoys several competitive advantages like presence of large multi-national corporations (MNCs) and their corporate office hubs, presence of multiple nationalized developers, connectivity, support infrastructure etc. Locational advantages along with presence of physical and social infrastructure has helped Gurugram to emerge as one of the prime office markets of NCR.

## 2.2 Real Estate Overview

**Office:** The established office clusters of Gurugram are concentrated towards Cyber City, Udyog Vihar, MG Road, Golf Course Road and Sohna Road. Golf Course Extension Road is the next emerging office location after the clusters stated above. Gurugram is primarily characterized by investment grade developments offering modern amenities. To name a few, established players like DLF, Brookfield, Hines, Vatika, Tata Realty, CapitaLand, Bharti, and others have their footprint in Gurugram.

**Retail:** The retail landscaping of Gurugram is skewed towards retail mall format. MG Road, Golf Course Road, Sohna Road and NH 48 are the established retail mall locations of Gurugram. Galleria Market in DLF Phase – IV is one of the prominent high streets in Gurugram. Presence of a significant young working population in Gurugram led to the emergence of new formats viz.

F&B hubs like DLF Cyber Hub, Sector 29 and 32nd Milestone, and are well accepted now. Golf Course Extension Road, Southern Periphery Road and Northern Periphery Road are the emerging locations for retail development. Golf Course Extension Road is primarily skewed towards high street retail formats.

**Residential:** The established residential clusters of Gurugram are concentrated towards Golf Course Road, Sohna Road, Sector 51 – 56 and Udyog Vihar. Golf Course Extension Road has also gained prominence as a residential location over past 2-3 years. Southern Periphery Road and Northern Periphery Road are the upcoming residential locations.

**Other lifestyle:** The hospitality segment in the Gurugram comprises of international and national renowned hotel groups such as Taj, Oberoi, Trident, Hyatt and many more located centrally in the city and servicing to foreign and domestic travellers. The hospitality segment in the city has grown tremendously to accommodate the growing demand from office occupants and residential population of the city. Currently, Gurugram houses over 2,500 keys in 4 & 5-star category of hospitality segment.

With more than 16,000 students graduating every year, Gurugram has ample talent pool to cater the office occupants present in the city. MDI, Amity University, ICFAI Business School etc. are few of the renowned educational campuses present in Gurugram.



## 2.3 Gurugram – Office Overview

Evolution of Gurugram as an office market has been phenomenal. With Gurugram emerging as an alternate to Delhi, it has witnessed multiple patterns of development viz. from strata sold developments to fully owned buildings and to integrated / campus developments. Supply introduced in the market in recent years has followed the demand characteristics, which gave rise to suitable patterns and quality of developments as required by the occupiers. Gurugram is divided into three office micro markets:

- Gurugram North – NH 48 starting from Ambience Mall till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road.
- Gurugram South – NH 48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48, Golf Course Road and Sohna Road.
- Rest of Gurugram – Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurugram, Northern Periphery Road and the geographical stretch of NH 48 beyond Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48. The Subject Property is located in Golf Course Extension Road falling under Rest of Gurugram.

## 2.4 Gurugram – Key Statistics

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 64.49 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 52.05 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 19.3%
<b>Avg. Annual Net Absorption (CY 2022 – 9M CY 2024)</b>	Approximately 2.84 msf
<b>Future Supply (Q4 CY 2024 E – CY 2026 E)</b>	Q4 CY2024E: Approximately 1.05 msf CY 2025E: Approximately 4.27 msf CY 2026E: Approximately 1.79 msf

Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Only Grade A relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

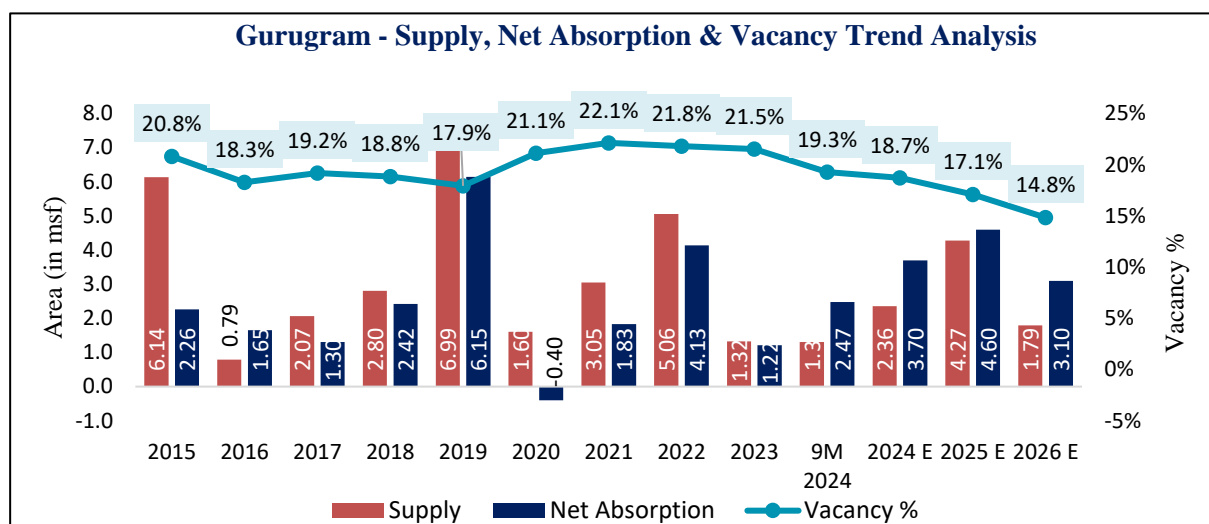


The key drivers of demand for office space in Gurugram are as follows:

- **Connectivity and linkages:** Gurugram is well connected to other nodes of NCR via robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International airport:** Gurugram is in close proximity to airport and hence attracted large occupier base to the city. Its closeness to airport helped the city to grow at a very fast pace.
- **Presence of social and lifestyle infrastructure:** Along with good physical infrastructure the city offers a healthy mix of social and lifestyle infrastructure. Presence of good schools like Shri Ram, Shiv Nadar, Lotus valley, Suncity etc.; good hospitals like Artemis, Medanta, Fortis etc.; retail malls like Ambience mall, MGF Metropolis etc.; F&B formats like Cyber Hub, 32nd Milestone, Sector 29 etc.; crèche like Klay, IPSAA, Footprint etc.; has made Gurugram as one of the most preferred micro markets for the working population. The city offers easy accessibility to the amenities required by the working population to lead life independently.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan, and Uttar Pradesh:** As the city is accessible through multiple modes of transportation and it offers residential spaces across various price categories, it attracts talent pool from all adjoining locations.
- **Growth of IT and GCC in India:** As India is moving ahead into a higher growth trajectory; the real estate requirement of the growing technology industry is also increasing. Traditionally, the Indian Technology industry was centered in Bangalore and later expanded to other cities such as Noida, Gurugram, Hyderabad, Pune, Chennai, and Mumbai. Concurrently, India has become a host to a staggering count of over 1,580 Global Capability Centers (GCCs) in the fiscal year 2023. These GCCs have collectively amassed a revenue of nearly USD 46 billion, providing employment to over 1.66 million individuals. The allure of India's adept workforce and well-equipped office infrastructure has beckoned numerous multinational corporations to establish GCCs within the country. With the growth in IT Sector and GICs/GCCs, the demand for real estate from these companies have also seen an increase. These companies generally have high stickiness and typically prefer office spaces which offer large floor plates, amenities in the park and have proximity to the talent pool catchment areas.
- **Healthy mix of commercial, IT/ITeS, Non-IT and SEZ Developments:** Gurugram offers a healthy mix of commercial, IT/ ITeS, Non-IT and SEZ office space and hence attracts the occupier base across categories.

## 2.5 Supply, Net Absorption & Vacancy

The supply, net absorption & vacancy trend for Gurugram is as follows:



Source: Cushman and Wakefield Research

### Notes:

1. Only Grade A relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy, and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The micro markets in Gurugram developed their individual flavours in terms of nature of developments (campus and integrated, strata and non-strata buildings) and larger developers created an ecosystem favouring their developments. Occupiers prefer office spaces offering better amenities and the health & safety standards. With infrastructure getting a boost from the government and city limits expanding, new micro markets are gaining prominence as office destination.

Gurugram has shown positive trend in supply and net absorption. The net absorption as of 9M CY 2024 is 2.47 msf with vacancy of 19% as compared to 0.5 msf and 20% vacancy in Q1 CY 2023. With increased hiring across the sectors specially Technology and BFSI (which are large contributors to office market of India) the new demand is likely to keep growing for the office market. Gurugram's nature of hosting diverse demand from sectors like Technology, BFSI, professional services, media and telecom would help keeping the net absorption figures growing. In our view, the future supply would follow net absorption trends, maintaining the real estate growth momentum in the city. Hence, the vacancy levels are expected to move southward in the coming future.

The analysis of current overall vacancy level of Gurugram suggest that the vacancy levels for non-strata development is 12% as compared to the strata developments as 31%. This clearly demonstrates the preference of occupiers in the market.

It is further evident from the fact that the vacancy of the prominent non-strata developments in Gurugram has consistently remained sub 5%. As on 9M CY 2024, office buildings like One Horizon Center, DLF Cyber Park are fully occupied. TRIL Commercial and multiple buildings in DLF Cyber City have vacancy below 5%.

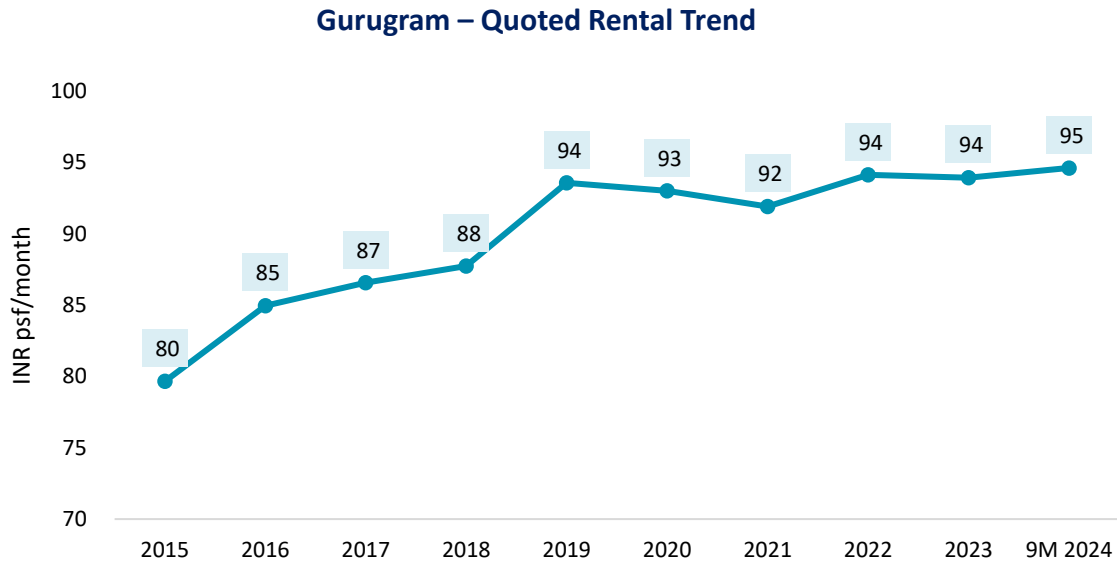


Further, DLF Downtown which was completed in CY 2022 was more than 90% pre-committed prior to its completion and is currently fully occupied.

Looking ahead, Gurugram's office landscape is set to be primarily shaped by non-strata owned developments. This is evident in the anticipated future supply of approximately 7.12 msf scheduled for completion between Q4 CY 2024E – CY 2026E.

## 2.6 Rental Trend Analysis

The rental trend for Gurugram is as follows:



Source: Cushman and Wakefield Research

Notes:

1. Only Grade A relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across Gurugram.
2. The quoted rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals presented above are weighted average values on completed stock.

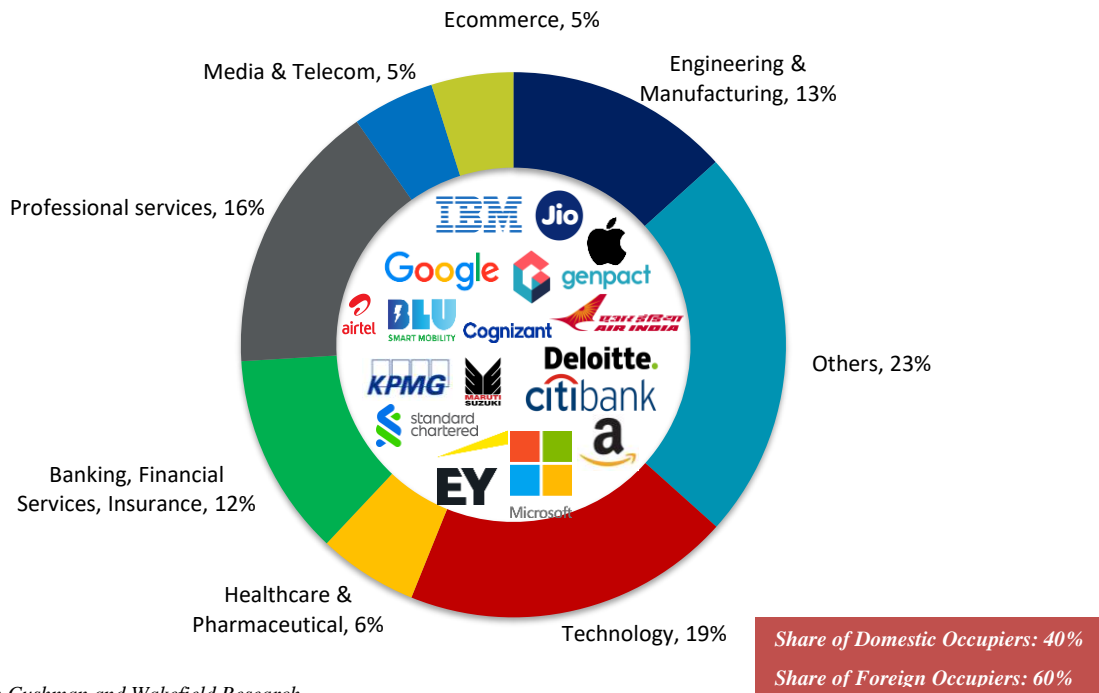
Gurugram witnessed a stabilised rental growth of approximately 3.3% between CY 2015 to CY 2018 and witnessed sharp spike in CY 2018 – CY 2019, resulting in a rental growth of ~6.6%. Approximately 75% of the supply addition in the city between CY 2020 and CY 2022 are either in the developing office micro market or strata sold because of this the rentals in the city have remained stable post CY 2019.

New supply addition in last 1-2 years in the established micro markets like NH 48 Prime, DLF Cyber City have given an upward push to the rentals. The developments like HQ 27, DLF Downtown added in established clusters are quoted at higher rentals prevailing in their respective cluster.

Among Gurugram's micro markets, DLF Cyber City commands the highest rentals followed by Golf Course Road. NH 48 Prime Micro Market witnessed a drastic increase in rentals in 2019 due to the addition of DLF Cyber Park. With denotification allowed in SEZ developments; the rentals for said supplies are expected to increase from current levels (as it broadens the potential occupier base for the property). Thus, creating an overall positive impact for the city.

## 2.7 Sectoral Demand Analysis – Gurugram (CY 2015 – 9M CY 2024)

### Key Industries present in Gurugram (CY 2015 – Q1 CY 2024 ~54.49 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of Gurugram's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Gurugram's office supply constitutes an equal mix of commercial and IT/ITeS developments and reflects similar positioning in demand. Technology is the prominent sector contributing 19% to the overall demand. The other prominent industries contributing 41% to the demand are Professional Services (16%), BFSI (12%) and Engineering & Manufacturing (13%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Gurugram is 60:40.





## 2.8 Gurugram Retail Overview

Gurugram retail micro markets comprise of prominent retail mall developments. Driven by aggressive expansions of domestic and global brands along with upbeat market sentiments and shifting consumer preferences, the demand for Grade A retail space has increased, resulting in more quality developments in Gurugram.

The table below highlights prominent mall developments across Gurugram and the vacancy status of the same:

S.No.	Project Name	Location	Completion Year	Gross Leasable Area	Vacancy % (9M 2024)	Average Current Quoted Rental Range (Ground Floor – Vanilla)	Major Tenants
1	Ambience Mall	NH – 8, Gurugram	2007	1.30 msf	0 – 5%	550 – 575	Zara, H&M, Marks & Spencer, Pantaloons, Uniqlo,
2	MGF Metropolitan Mall	Sector 25, Gurugram	2003	0.25 msf	10 – 15%	275 – 300	Shopper's Stop, Nike, Adidas, PVR, Blackberry
3	Ardee Mall	Sector 52, Gurugram	NA	0.38 msf	5 – 7%	200 – 225	Reliance Digital, Aldo, Bata, Forever New & Spencer
4	Airia Mall	Sector 68, Gurugram	2020	0.47 msf	10 – 15%	150 – 175	Cinepolis, Reliance Smart, Westside, Iconic, Smaaash

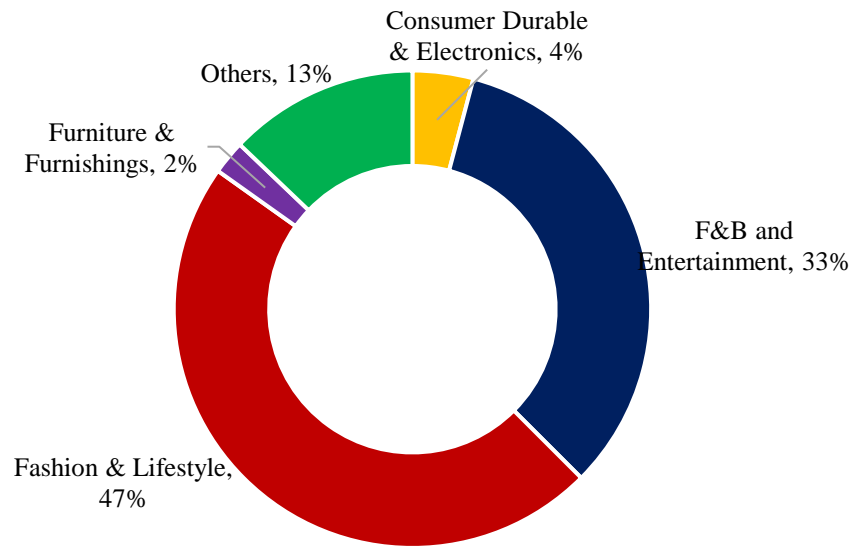
The table below highlights prominent non-strata retail developments (in F&B format) across Gurugram and the vacancy status of the same:

S.No.	Project Name	Location	Completion Year	Gross Leasable Area	Vacancy % (9M 2024)	Average Current Quoted Rental Range (Ground Floor – Vanilla)	Major Tenants
1	DLF Cyber Hub	Sector 24, Gurugram	2013	0.46 msf	1 – 2%	225 – 250	Decathlon, Uniqlo, Marks & Spencer, Nike, Modern Bazaar
2	Worldmark	Sector 65, Gurugram	2019	0.27 msf	3 – 5%	150 – 175	INOX, Croma, Modern Bazaar, Hamleys, Striker Privee, Adidas
3	One Horizon Centre	Sector 43, Gurugram	2018	0.06 msf	0-1%	180 – 190	Cozy Box, Delhi Club House, Hahn's Kitchen, Brew Dog
4	Ireo Grand View	Sector 58, Gurugram	2019 (OC received in 2024)	0.35 msf	60%	150-175	Bellagio, Romeo Lane, Cena Pranzo

Presence of a significant young working population in Gurugram led to the emergence of new formats viz. F&B hubs like DLF Cyber Hub, Sector 29 and 32nd Milestone and are well accepted now. Golf Course Extension Road, Southern Periphery Road and Northern Periphery Road are the emerging locations for retail development. Golf Course Extension Road will largely have a high street retail format.

The presence of F&B in retail developments of Gurugram is illustrated in the chart below:

**Gurugram Sectoral Absorption (CY 2017 - 9M CY 2024) ~ 3.3 msf**



*Source: Cushman and Wakefield Research*

*Note: The data presented in the above chart is a representative data set of the major lease transactions that have happened since 2017.*

### **3 Rest of Gurugram – Micro Market**

#### **3.1 Overview**

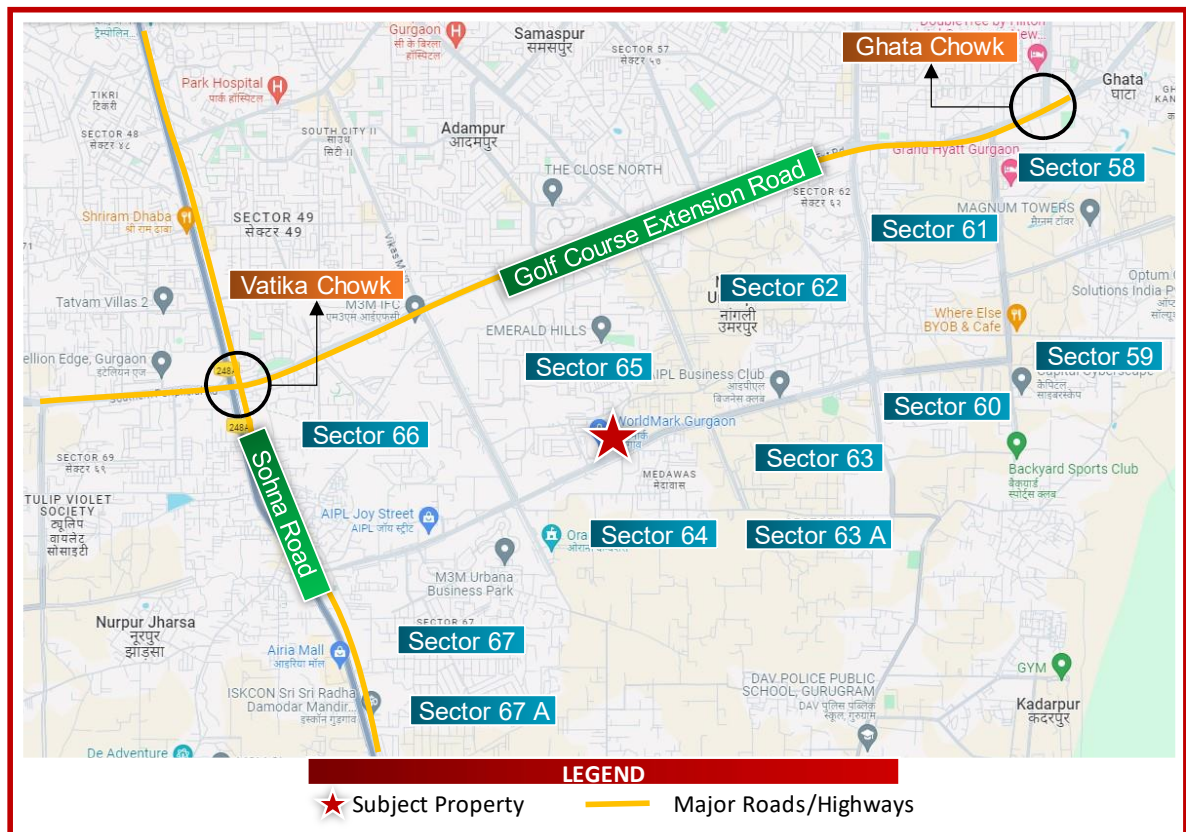
Rest of Gurugram comprises Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurugram, Northern Periphery Road and the geographical stretch of NH 48 beyond Hero Honda Chowk covering up to 3 kms of motorable distance on each side from NH 48. The following table

<b>Sub-Micro Market</b>	<b>Sectors/Description of Location</b>
Golf Course Extension Road	Sectors 58 till Sector 67A
Southern Peripheral Road	Sector 69 till Sector 75A
New Gurugram	Sectors 76 till 95B
Norther Peripheral Road (Dwarka Expressway)	Sector 36, 36A, 36B, 37D, and 99 till 115
NH8 Non-Prime	Geographical stretch of NH 48 beyond Hero Honda Chowk covering up to 3 kms of motorable distance on each side from NH 48
Gurgaon Faridabad Road	Geographical stretch along the Gurgaon Faridabad Road from Gwal Pahari till it connects Faridabad near Sector 48

## 4 Golf Course Extension Road (GCER) –Subject Micro Market

### 4.1 Overview

Golf Course Extension Road (GCER) is situated in the south-eastern part of Gurugram. This Micro Market is the extended part of Golf Course Road and comprises of sectors 58, 59, 60, 61, 62, 63, 63A, 64, 65, 66, 67 & 67A of Gurugram. Golf Course Extension Road, which is the main arterial road, connects Subject Micro Market to other micro markets of Gurugram and to NH 48 through Southern Peripheral Road (SPR). Sohna Road and the Golf Course Road are located on south of the Golf Course Extension Road. Appended map captures the placement of Worldmark Gurugram with respect to GCER.



Source: Cushman & Wakefield Research  
(Map not to scale)

## 4.2 Social Infrastructure

Golf Course Extension Road is surrounded by a plethora of education, banking, shopping, medical and healthcare facilities thereby upping its quotient for upscale and convenient living.



Source: Cushman & Wakefield Research  
(Map not to scale)



Key Office Developments	Social Infrastructure	Retail Developments	Proposed/ Under Construction Office Developments	Hospitality Developments	Upcoming Retail Developments
1. International Tech Park Gurgaon	1. Marengo Asia Hospital	1. Worldmark Gurugram (Subject Property)	1. AIPL Autograph	1. Lemon Tree Hotels	1. M3M Route 65
2. AIPL Business Club	2. Shalom Presidency	2. M3M Urbana	2. AIPL Statement	2. Grand Hyatt Hotel	2. M3M Paragon
3. Worldmark Gurugram (Subject Property)	3. Heritage Xperiential Learning School	3. AIPL Joystreet	3. TRIL Intellion Park (TRIL IT City) Tower 3 - 6	3. Double Tree by Hilton	3. Elan Empire

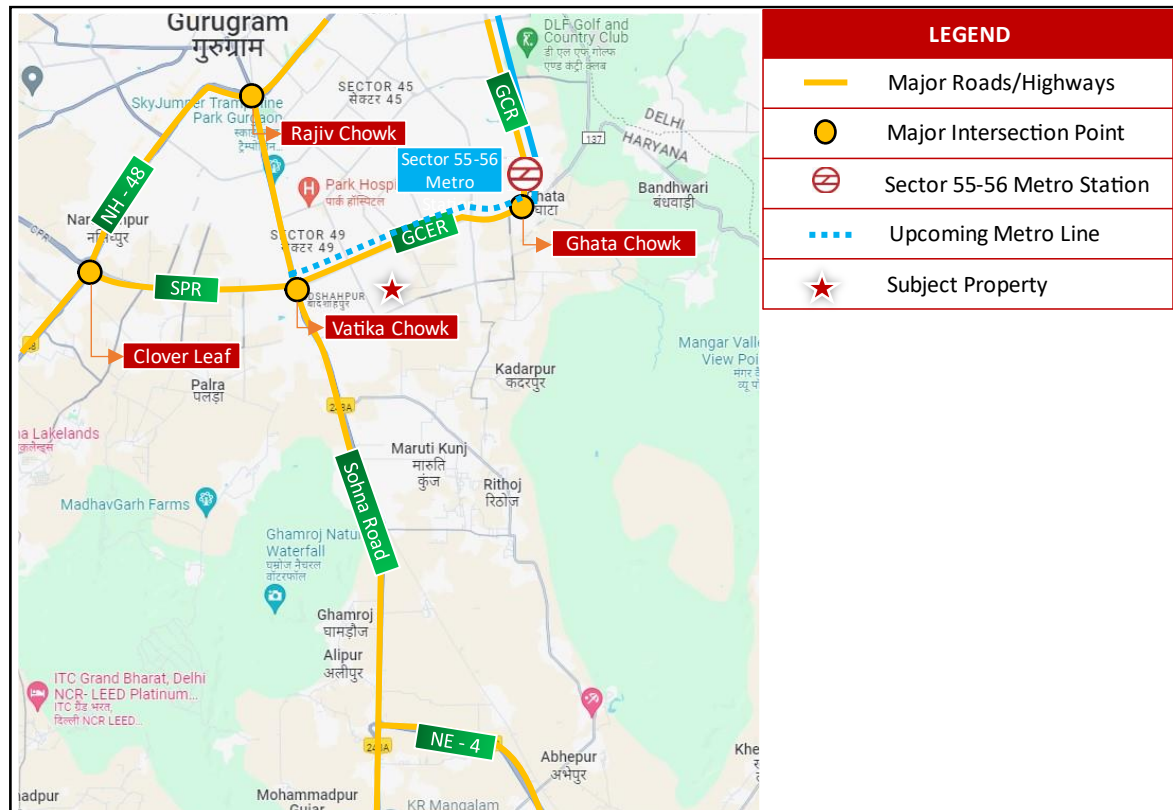


4. M3M Urbana business park	4. St. Xavier's Gurgaon	4. M3M International Finance Center			4. AIP Joy Central
5. M3M International Finance Center	5. DPS International, Sector 67A	5. M3M Cosmopolitan			5. AIPL Joy Square
6. TRIL Intellion Park Tower 1 & 2					6. Adani Brahma Miracle Mile
7. M3M Urbana Premium					7. M3M Atrium 57



### 4.3 Physical Infrastructure

Golf Course Extension is an arterial road of Gurugram which is proposed to be 90 meters wide (with 30-meter-wide green belt on both sides). It starts from Ghata Chowk (intersecting point of Golf Course Road, Golf Course Extension Road, and Gurugram Faridabad Road) and runs up to Vatika Chowk (Intersection of Sohna Road, Golf Course Extension Road and Southern Peripheral Road).



Source: Cushman & Wakefield Research  
(Map not to scale)

National Highway 48 can be accessed from Golf Course Extension Road via Southern Peripheral Road at clover leaf and via signal-free underpasses on the Golf Course Road at DLF Cyber City. Recent completion of the Vatika Chowk underpass near sector 49 has eased the traffic between the Southern Peripheral Road and Golf Course Extension Road. The nearest metro station for GGER is the Sector 55-56 Rapid Metro Station at Golf Course Road.

In terms of proposed physical infrastructure, 2 underpasses, 3 flyovers, an elevated road, an elevated U-turn, and a 6.34 kms Rapid Metro extension (from Sector 56 to Vatika Chowk) is planned to be developed at Golf Course Extension Road to ease out the traffic further. The Rapid Metro line is expected to have 5 new metro stations at Sector 56, Sushant Lok, Sushant Lok Phase-3, Rosewood City and Vatika Chowk.

#### 4.4 Real Estate Overview

Golf Course Extension Road has established itself as a distinguished and premium real estate micro market. It has evolved as an alternative to the acclaimed Golf Course Road, serving as a pivotal center for premium real estate in Gurugram. The extension is sought to meet the growing demand for high-end residential and commercial properties.

**Residential:** The region features a mix of residential projects, including high-rise apartments, independent floors, plots, and villas by leading real estate developers promoting organized and professional development practices, emphasizing quality construction, innovative designs, and customer-centric approaches.

- Prominent Developers: DLF, M3M India, Hines, Conscient, Anant Raj, Emaar India and Signature Global
- Ready to move / complete residential projects: Ireo Grand Arch, M3M Merlin, M3M Golf Estate, Pioneer Urban Presidia, Ireo Victory Valley, Mahindra Luminaire, Emaar Digi Homes, Emaar Palm Drive etc.
- Upcoming residential developments: DLF The Arbour, M3M Heights, Adani Samsara, Trump Towers, Conscient Hines Elevate Phase 2, Mahindra Luminaire Phase 2, etc. which are in various stages of construction.

There are number of existing and upcoming residential supply (which is likely to get ready in next 3-5 years) at GCER. These residentially supplies are the primary catchment for the Subject Property.

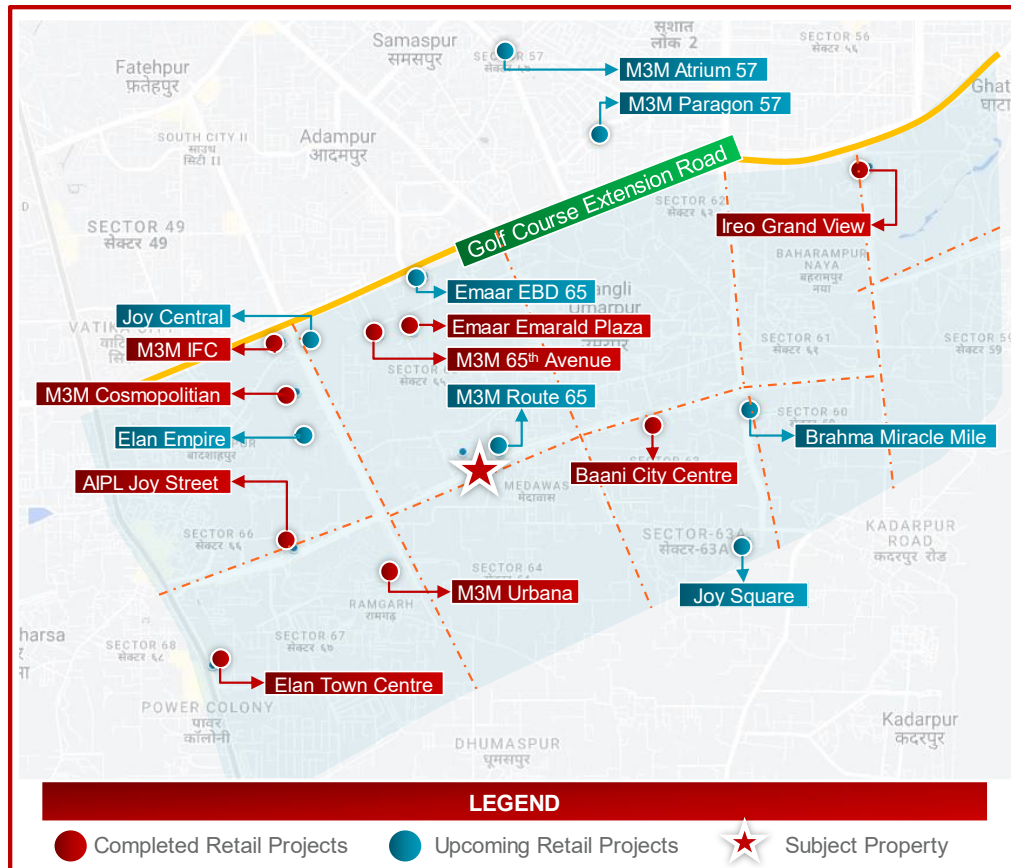
The retail area at Subject Property majorly constitutes F&B outlets; the preferred motorable distance by the residential population to access such formats is upto 10 kms (i.e., upto 20 – 30 minutes of drive). Hence, increase in residential habitation in primary catchment is likely to have positive impact on the performance of the Subject Property's retail area.

**Retail:** Over the last few years, Golf Course Extension Road has witnessed the introduction of numerous residential projects. This surge in residential development has consequently generated a demand for retail establishments within the Micro-Market. Several highstreets and commercial hubs along Golf Course Extension Road offer a mix of shopping, dining, and entertainment options.

- Prominent developers: Bharti Realty, Emaar India, M3M India, AIPL, and Adani – Brahma.
- Completed Retail Projects: Emaar Emerald Plaza, M3M Urbana, Worldmark Gurugram (Subject Property), Gurugram, AIPL Joy Street, M3M IFC, M3M Cosmopolitan, Baani City Centre, Elan Town Centre Sector-67, M3M 65th Avenue, Ireo Grand View
- Upcoming Retail Projects: M3M Route 65, Emaar EBD 65, M3M Paragon 57, Elan Empire, Joy Central, Joy Square, Brahma Miracle Mile, M3M Atrium 57

The retail landscape of Golf Course Extension Road is mainly strata sold developments. The Subject Property is a prominent non-strata retail development in the Subject Micro Market. Few of the key completed and upcoming developments in Subject Micro Market are appended in the below map:





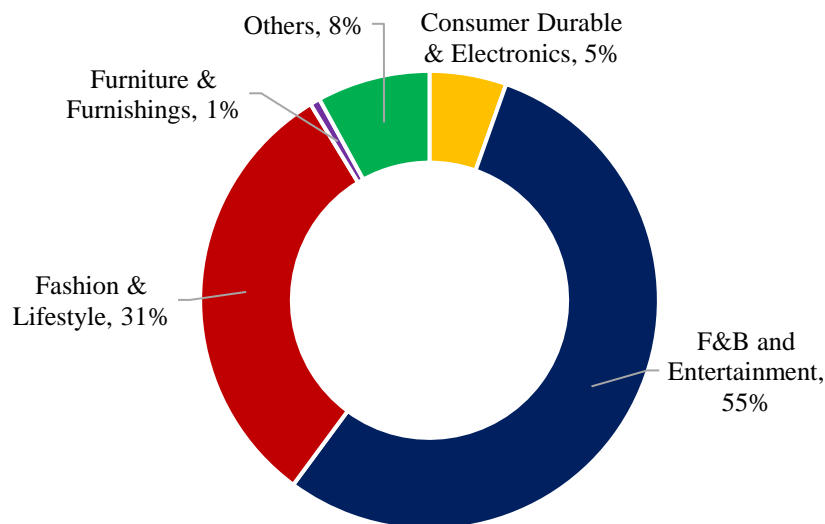
Source: Cushman & Wakefield Research  
(Map not to scale)

Retail offerings on Golf Course Extension Road have emerged through mixed land-use developments that include a combination of retail high streets either with commercial spaces or residential developments. Instead of strictly segregating land for residential and commercial purposes, these developments envision spaces where individuals can seamlessly integrate living, working, and recreational activities, eliminating the necessity for lengthy commutes. Golf Course Extension Road as a micro market, has seen an increasing trend towards mixed-use developments to address the growing population and urbanization.

S.no.	Name of Building / Place	Ownership	Retail Type	Total Saleable Area / Leasable Area (in msf)	Launch Date
1	Worldmark Gurugram	Non-Strata	Office with Retail (F&B and Shopping)	0.28	2019
2	Ireo Grand View	Non-Strata	Office with Retail (F&B)	0.35	2019/2014
3	M3M Urbana	Strata	Office with Retail (F&B and Shopping)	0.36	2011
4	Emaar Emerald Plaza	Strata	Office with Supporting Retail	0.26	2012
5	Baani City Centre	Strata	Office with Retail	0.12	2012
6	M3M Cosmopolitan	Strata	Office with Retail (F&B and Shopping)	0.19	2014
7	AIPL Joy Street	Strata	Office with Retail (F&B and Shopping)	0.47	2016
8	Elan Town Centre Sector-67	Strata	Office with Retail (F&B and Shopping)	0.25	2017
9	M3M 65th Avenue	Strata	Office with Retail (F&B)	0.45	2017
10	M3M IFC	Strata	Office with Retail (F&B)	0.15	2018

Retail Developments on Golf Course Extension Road are primarily F&B focused. Most of the projects in the Subject Micro Market have a more focused retail space for F&B and dedicated entertainment zones. These destinations are aesthetically designed and offer a unique experience to visitors. Properties can garner a significant portion of the footfall through these outlets. New visitors are frequently introduced to these properties through these F&B and entertainment outlets as these are more popular on social media websites and social circles. The Subject Property is one of the few prominent developments to have a mix of both F&B and shopping outlets. The following chart illustrates the contribution of F&B and entertainment in the retail absorption of the Subject Micro Market since 2017.

**Golf Course Extension road Sectoral Absorption (CY 2017 - 9M CY 2024) ~  
0.8 msf**



*Source: Cushman and Wakefield Research*

*Note: The data presented in the above chart is a representative data set of the major lease transactions that have happened since 2017.*

As visible in the chart above, F&B and entertainment contributes a majority of the share (64%) to the total absorption of the Subject Micro Market.

#### 4.5 Golf Course Extension Road –Office Market Overview (Overall)

Golf Course Extension Road is the next emerging location for office development, with the total office stock of 11.22 msf as on 9M 2024. The share of non-strata owned office stock is 5.18 msf (46%) and strata owned office stock is 6.04 msf (54%). Developer like Emaar, Pioneer, CapitaLand, M3M, Capital Group and AIPL holds notable share of approximately 48% of the office stock in the Subject Micro Market.

#### 4.6 Key Statistics

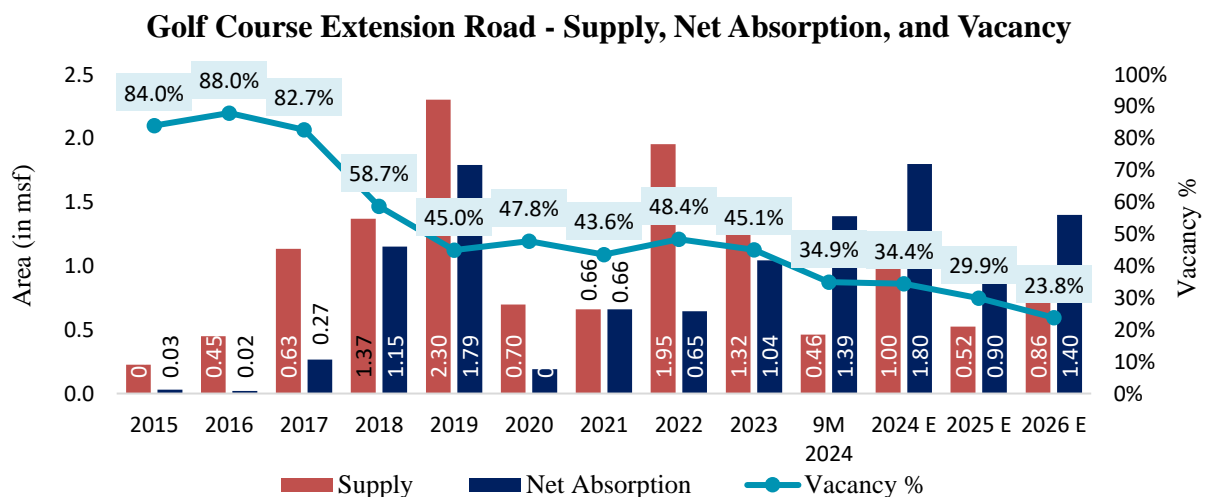
Particulars	Overall	Non-Strata	Strata
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	11.22 msf	5.18 msf	6.04 msf
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	7.30 msf	4.04 msf	3.26 msf
<b>Current Vacancy 9M CY 2024 (%)</b>	35%	22%	46%
<b>Avg. Annual Net Absorption – (CY 2022 – 9M CY 2024) (msf)</b>	1.12 msf	0.58 msf	0.54 msf
<b>Future Supply – Q4 CY 2024 E – 2026 E (msf)</b>	1.92 msf	1.92 msf	-

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

#### 4.7 Supply, Net Absorption & Vacancy- Overall

The supply, net absorption & vacancy trends for Golf Course Extension Road are as follows:



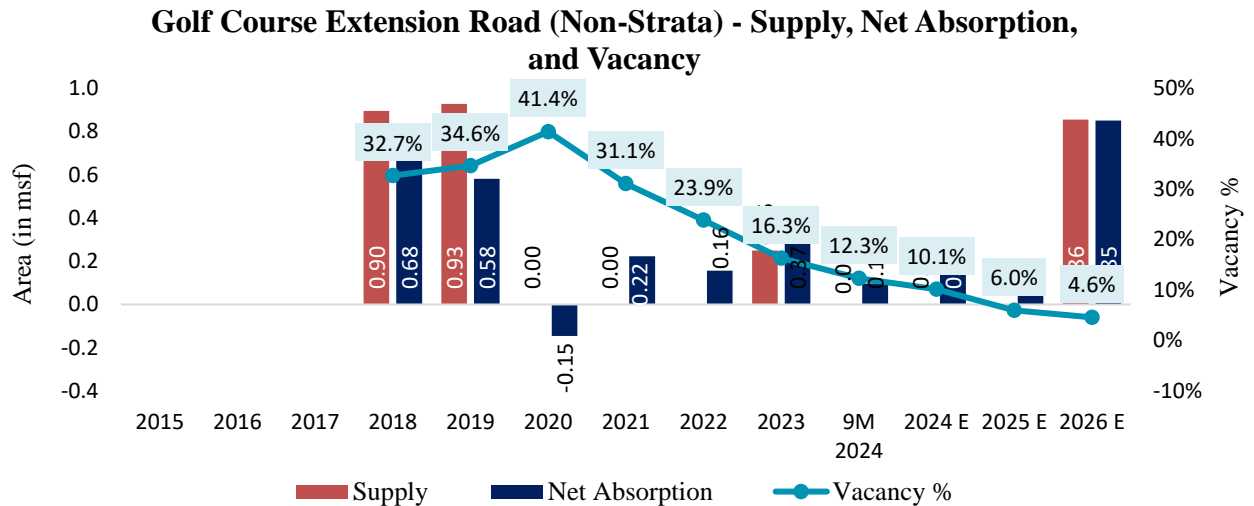
Source: Cushman & Wakefield Research

Notes:

1. Only Grade A relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy, and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

As on 9M CY 2024, the Subject Micro Market has a vacancy of approximately 35% owing to higher share of the Strata owned office stock and SEZ developments. Further, the Subject Micro Market is in its phase of development and is emerging as an office market (as natural extension to Golf Course Road). The growth is facilitated due to availability of infrastructure to support the phenomena and the rentals being competitive as compared to other established office of Gurugram.

#### 4.8 Non-SEZ (Non-Strata) Supply, Net Absorption & Vacancy



Source: Cushman & Wakefield Research

**Notes:**

1. Only Grade A office spaces have been considered for the analysis presented in the above chart.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area, strata owned, SEZ and applying certain other criteria.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

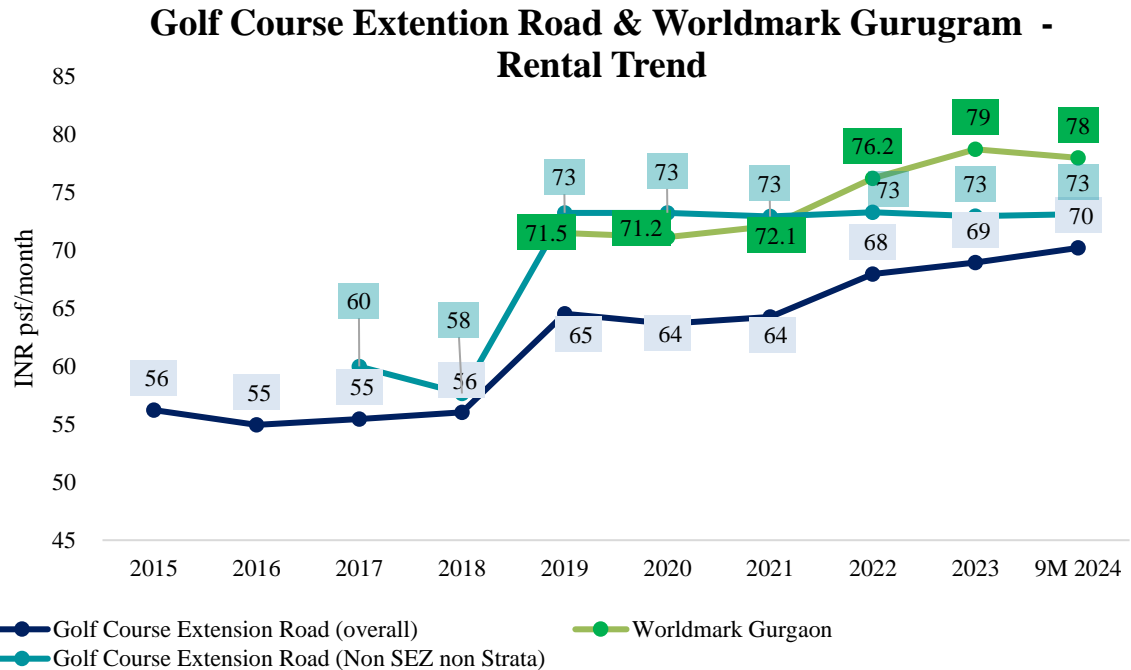
As on 9M CY 2024, the Subject Micro Market has a vacancy of approximately 22% owing to high share of (i.e., 53%) of SEZ developments. Between CY 2015 and 2019, the Subject Micro Market has witnessed continuous traction resulting in the steep decline in vacancy reaching at a level of 33%. During CY 2020, the effect of COVID-19 was visible with negative average net absorption.

The vacancy in Non- Strata and Non -SEZ office developments is even lower and stands at 12% as on 9M CY 2024. In few of the office buildings in this category the like Capital Cyberscape and Pioneer Square the vacancy is nil viz. these buildings are fully occupied.

The Subject Micro Market is likely to keep performing better with increase in office demand in the city and the natural progression of office market towards Golf Course Extension Road from Golf Course Road.

#### 4.9 Rental Trend Analysis

The rental trends for Worldmark Gurugram and Golf Course Extension Road are as follows:



Source: Cushman & Wakefield Research

**Notes:**

1. Only Grade A relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet and applying certain other criteria.
2. The quoted rentals for the Subject Micro Market shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals for Worldmark Gurugram have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
4. Rentals presented above are weighted average values on completed stock.

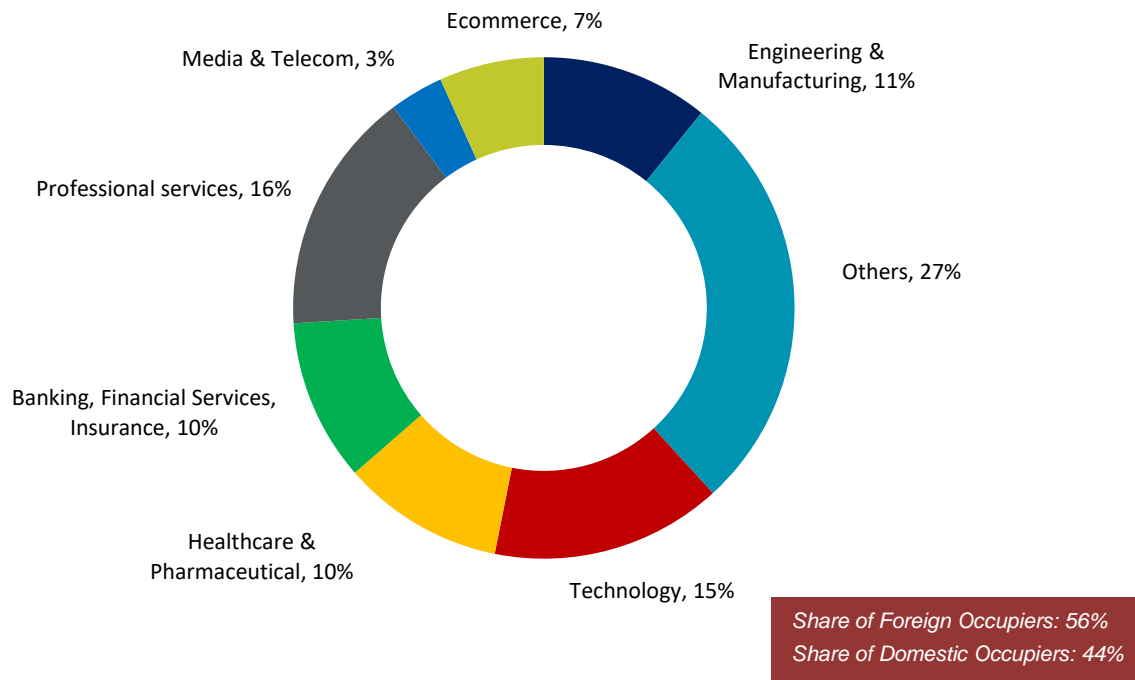
While rentals in Golf Course Extension Road's non-strata owned supply have been range bound since CY 2019, there has been a slight dip in rentals due to addition of SEZ stock like International Tech Park Gurgaon and TRIL Intellion Park which are trading at a rental lower than the weighted average rental in the Subject Micro Market. The Subject Property has consistently outperformed the Subject Micro Market since its completion. The Subject Property has witnessed constant increase in rentals due to its ability to attract interest from occupiers. This is further aided by the Subject Property's unique positioning and amenities offered in the Subject Micro Market as a premium office and retail destination.

The analysis suggests that Subject Property has witnessed a CAGR of 1.85% as compared to 1.79% in the Subject Micro Market (Overall) over the same period. The difference in rental growth substantiates the requirement and preference of occupiers for quality office space.

Further, the Subject Micro Market is an emerging market and do not have number of integrated development (apt mix of retail and office space), therefore a potential for higher rentals exists. Established micro market of Gurugram like Cyber City have also seen similar trends and the same is expected to be replicated in the Subject Micro Market as well.

#### 4.10 Overall - Sectoral Demand Analysis (CY 2015 – 9M CY 2024)

##### Key Industries present in Golf Course Extension Road (CY 2015 – 9M CY 2024 ~8.16 msf)



Source: Cushman & Wakefield Research

**Notes:**

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of Golf Course Extension Road's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Golf Course Extension Road is dominated by mix of Technology, Healthcare & Pharmaceutical, BFSI and Engineering & Manufacturing together contributing 46% of the leasing activity in the years CY 2015 to 9M CY 2024. The tenants are attracted to the Subject Micro Market due to availability of good physical and social infrastructure. The mix of foreign vs. domestic occupants in Golf Course Extension Road is 56:44.

## **5 Market Outlook**

Worldmark Gurugram is a freehold development spread across land area of approximately 6.7 Acres. The Subject Property is a mixed-use complex (office cum retail development) located in Sector 65, Golf Course Extension Road, Gurugram which has gained prominence as a residential location and has also attracted decent occupier attention.

The increasing activity levels on residential and office side has led to development of retail in the Micro Market. The retail landscape of the Subject Micro Market is skewed towards high street formats largely housing prominent F&B brands and Multiplexes. Majority of the office and retail supply in Subject Micro Market is strata sold and hence gives an edge to the Subject Property (being non-strata sold).

As on 9M CY 2024, the office vacancy in Subject Micro Market for Non – Strata, Non -SEZ developments stands at 12% as compared to overall vacancy of 35%. The office vacancy of the Subject Property is 11% which is in line with the market benchmarks.

As on 9M CY 2024, the retail vacancy of the Subject Property is 4% which is in line with other established formats viz. DLF Cyber Hub, One Horizon Center, and Two Horizon Center etc.

The Subject Property is an integrated development constituting retail and office spaces. Thus, the retail area at Subject Property has the advantage to generate captive demand for itself through the current office occupiers. Further, due to the tenant profile, design, and upkeep; it generates a healthy footfall from the residential neighbourhood of Subject Micro Market and the other nearby micro markets.

According to the market assessment provided, the current weighted quoted average office rentals of Subject Micro Market for non-strata development is INR 67 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Further, the current quoted average retail rentals of the Subject Property are INR 115 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Considering natural progression of the city towards GCER from Golf Course Road (GCR), due to its location and current and planned connectivity (through planned elevated corridors and underpasses and expansion of metro network); the Subject Micro Market is likely to become one of the established clusters of Gurugram and is likely to witness the growth as that of those clusters. Thus, the annual growth rate of 5% in market rents (office and retail) over medium to long term appears achievable for the Subject Property.





## **C      SUBJECT PROPERTY REPORT**

## **1 Address, Ownership and Title details of the Subject Property**

Address:	Worldmark Gurugram, Maidawas Road, Sector 65, Gurugram, Haryana 122001
Ownership & title details:	Land Tenure: Freehold; the land and buildings thereupon are owned by Arnon Builders & Developers Limited.

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Khaitan & Co (Hereinafter referred to as 'Legal Counsels'). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

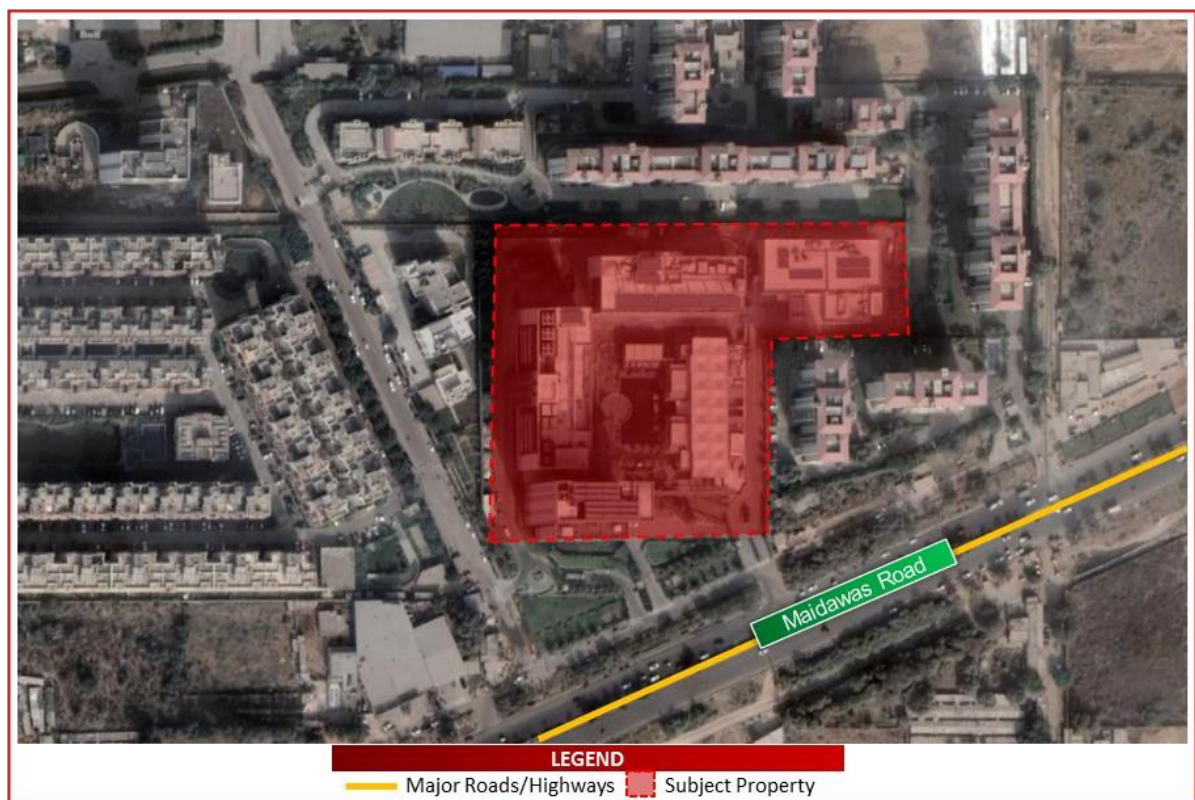
## **2 Location**

### **2.1 General**

Worldmark Gurugram is located in Sector 65, Golf Course Extension Road, Gurugram which falls under the Golf Course Extension Road Micro Market. The Subject Property is accessible via Maidawas Road (60-metre-wide) on the south which is running parallel to Golf Course Extension Road and connects Sohna Road on the west and via Sector Road (24-meter-wide) on the west. The Subject Property is located in one of the emerging office, residential and retail micro-markets of Gurugram. Being located in Subject Micro Market, the Subject Property has access to good physical and social infrastructure.

Subject Property lies in close proximity to Sector 55-56 rapid metro station which further enhances its accessibility from different parts of NCR. Further the Subject Property is accessible via NH-48 which is approx. at a distance of 10 kms and MG road which is at a distance of approx. 16 Km. NH 48 is a major arterial road that connects Gurugram to other cities of NCR.

The location map of the Subject Property is as follows:



*Source: Cushman and Wakefield Research  
(Map not to scale)*

**Site Boundaries:**

The site boundaries for the Subject Property are as under:

- North: Residential Development
- South: Internal Road (60-meter-wide)
- East: Residential Development
- West: Sector Road (24-meter-wide)

**2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- Approximately 03 kms from Golf Course Extension Road
- Approximately 08 kms from Sector 55-56 Rapid Metro Station
- Approximately 15 kms from Gurugram Railway Station
- Approximately 15 kms from DLF Cyber City
- Approximately 24 kms from Indra Gandhi International Airport (Terminal 3)
- Approximately 38 kms from Connaught Place

**2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

**2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

**2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### **3 Subject Property - Asset Description**

Worldmark Gurugram is an office cum retail development. The details of buildings are as follows:

The listing of the buildings under each component is as follows:

**Completed buildings with Occupancy Certificate (OC) received**– Tower 1, 2, 3, 4 and 5.

The tower wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Floor (#)	Status	Expected Completion Date
Tower 1	175,731	G + 13	Completed	NA
Tower 2	264,417	G + 8	Completed	NA
Tower 3	183,436	G + 6	Completed	NA
Tower 4	57,602	G + 2	Completed	NA
Tower 5	70,211	G + 1	Completed	NA
<b>Total</b>	<b>7,51,397</b>			

*Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information*

### 3.1 Key Asset Information

Completed Buildings with Occupancy Certificates (OC) received.

Particulars	Details
<b>Entity:</b>	Arnon Builders & Developers Limited
<b>Asset Type:</b>	Office cum Retail Development
<b>Subject Micro Market:</b>	Golf Course Extension Road (rest of Gurugram)
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~6.7
<b>Freehold/Leasehold:</b>	Freehold
<b>Leasable Area:</b>	751,397 sq. ft.
<b>Occupied Area:</b>	686,879 sq. ft.
<b>Occupancy (%):</b>	91.4%
<b>Current Effective Rent (excluding parking):</b>	INR 79.69 per sq. ft. per month (office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 87.14 per sq. ft per month (Office and Retail tenants only)
<b>Number of Tenants:</b>	23 (office) 63 (retail)

Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

Note: Refer company structure set out in (Annexure 2)

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property consist of five Towers i.e., Towers 1, 2, 3 and 4 (which is F&B Block) and Tower 5 a multiplex which was physically inspected on 22 <sup>nd</sup> April 2024 (Subsequently no site visits have been conducted).
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational buildings</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an office cum retail space offering large floor plates and number of amenities for occupiers.</p> <p><b><u>Completed/ Operational Building:</u></b></p> <p>The operational buildings in the Subject Property are Block 1, 2, 3, 4 (F&amp;B block) and Multiplex with OC received collectively admeasure 751,397 sq. ft. of leasable area.</p> <p>The operational buildings comprise.</p> <ul style="list-style-type: none"> <li>Office: 3 offices cum retail towers namely 1, 2 and 3 having total office leasable area admeasuring 477,559 sq. ft. Theses towers are occupied by multiple office tenants. Major tenants in these towers are Airtel International, Yum restaurants, Terumo, Versuni India and HL Mando.</li> <li>Retail: 3 offices cum retail towers namely 1, 2 and 3 along with tower 4 (F&amp;B Block) and Multiplex having total retail leasable area admeasuring 273,838 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B, shopping, pharmacy, convenience store, entertainment etc. Major tenants in these blocks are Striker Privee, Glasshouse, Café Houz, Ces't la vie etc. Also multiplex has agreement signed with INOX.</li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property also provides the car stacker parking lift facility at the basement one and two which allows to park multiple cars in a very limited space.</li> <li>The Subject Property has STP, through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul> <p><b><u>Awards &amp; Certifications</u></b></p> <p>Worldmark Gurugram has been awarded LEED Gold Rating for sustainability in addition to BEE 5-star rating, ISO 45001, ISO 9001.</p>	



**Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 1,028 parking spaces.

**Other Observations**

- The Subject Property has one entry and two exit points which are managed according to the traffic circulation plan.
- The visual inspection of the building area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- No instances of any major logging or water accumulation were observed during the inspection.
- The utility areas also appeared well maintained, visually.

*Source: Architect's Certificate (30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024*

**Note:**

- The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*





### **3.3 Investigation and nature and source of information**

The Valuer undertook physical visits of the Subject Property wherein the buildings and related assets were visually inspected to assess the condition of the buildings and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the Property part of the REIT.

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30th October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations, and fire safety with respect to specific buildings in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and ac in the Subject Property (please refer Annexure 8)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~46% of leased area and ~40% of the gross rental income (including office and retail tenants).

Rank	Category	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Office	Airtel International LLP	54,044
2	Office	HL Mando Softech India Pvt. Ltd.	53,282
3	Retail	PVR Limited	44,405
4	Office	Yum Restaurants India Pvt. Ltd.	35,130
5	Office	Terumo India Pvt. Ltd.	29,290
6	Office	Versuni India Home Solutions Limited	25,741
7	Office	Whiteland Corporation Pvt. Ltd. & Elite Landbase Pvt. Ltd.	22,694
8	Retail	Infiniti Retail Limited	22,200
9	Office	PNB Metlife India Insurance Company Limited	16,060
10	Retail	New Modern Bazaar Departmental Stores Pvt. Ltd.	14,932
<b>Total</b>			<b>317,778</b>

Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

\*HL Mando Softech India Pvt. Ltd. Includes (HL Mando and Mando).

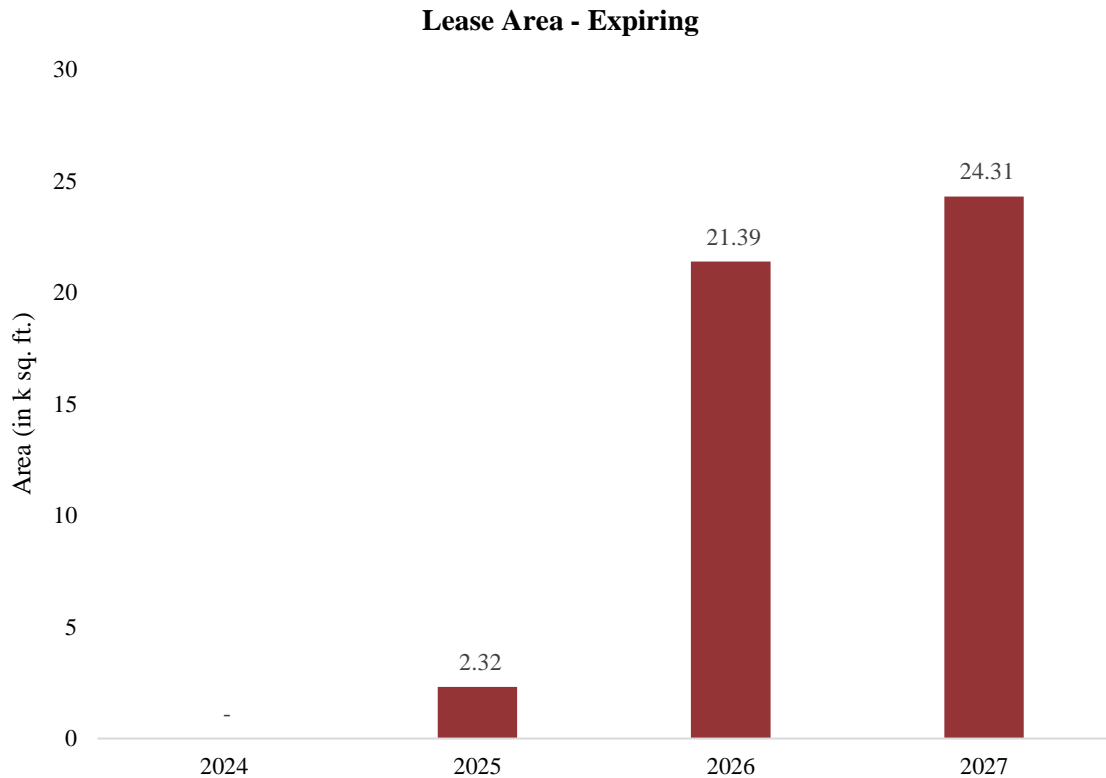
Rank	Category	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Office	Airtel International LLP	7%
2	Office	HL Mando Softech India Pvt. Ltd.	7%
3	Office	Yum Restaurants India Pvt. Ltd.	5%
4	Retail	PVR Limited	4%
5	Office	Terumo India Pvt. Ltd.	4%
6	Office	Versuni India Home Solutions Limited	3%
7	Office	Whiteland Corporation Pvt. Ltd. & Elite Landbase Pvt. Ltd.	3%
8	Office	Asics India Pvt. Ltd.	3%
9	Retail	Infiniti Retail Limited	2%
10	Retail	New Modern Bazaar Departmental Stores Pvt. Ltd.	2%
<b>Total</b>			<b>40%</b>

Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

\*HL Mando Softech India Pvt. Ltd. Includes (HL Mando and Mando).

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 7.0 years, with ~7% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office and retail tenants).



Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents 1<sup>st</sup> October 2024 to December 2024.

## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the Micro-Market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of retail/ office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the Micro-Market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the Micro-Market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).



#### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** For retail tenants, based on the contractual turnover rent percentage of respective tenants and average tenant sales psf per month, Turnover rent is estimated for each tenant and is compared with the minimum guaranteed rentals in line with the tenant contracts. The higher of the two is adopted for the purpose of estimating cash flows.

**Step 4:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

#### 4.4 Information Sources:

Subject Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Subject Property Details:

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	751,397
Area Leased	sq. ft.	686,879
Committed Occupancy*	%	91.4%
Vacant Area	sq. ft.	64,518
Vacancy	%	8.6%
Stabilized Vacancy	%	2.50%
Further Leasing	sq. ft.	45,733
Existing Lease Rollovers	%	100%
Rent Free Period – Existing Leases	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	1,028
Estimated Leasing Period	# of quarters	5

Source: Architect's Certificate (30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area).

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over CY 2022 – 9M CY 2024, the Subject Micro Market has witnessed an average annual net absorption of approximately 1.12 msf.
  - Going forward, the Subject Micro Market is expected to have similar annual demand. Majority of office and retail buildings present in the Subject Micro Market are strata sold. The Non-strata buildings within the Subject Micro Market constitutes some IT and SEZ developments.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.05 msf within 5 quarters from Jan 2025 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces.

**Subject Property and Relevant Existing/Upcoming Supply in the Golf Course Extension Road Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing office supply and grey box signifies upcoming office supply. Orange boxes signify existing office supply and Turquoise box signifies upcoming office supply.

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 76.50
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 115.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 77.50
Other income	Per sq. ft. per month	INR 3.02
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Income Growth Rate –FY 26 onwards (excluding sinking fund)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Income for future leases	Per sq. ft. per month	INR 22.20

- Market rent - office:**

- o Achievable market rent includes parking charges of INR 1 per sq. ft. per month (considering the parking rent of INR 2,500 per slot per month)
- o From FY' 2024 to FY' 2025, approximately 0.11 msf was leased in the rental range of INR 78 – 81 per sq. ft. per month (including parking).

### Lease Transactions FY' 2024-2025:

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
IT Company	2024	14,275	81
Logistics Company	2024	14,178	78
Professional Services	2024	10,597	78
Auto-mobile Company	2024	25,138	79
Medical Device Manufacturing Company	2023	14,645	78
Financial Services	2023	14,328	78
Medical Device Manufacturing Company	2023	14,645	78

Source: Rent roll as of 30<sup>th</sup> September 2024 and Client Information

- o Considering the location, accessibility, quality, size of the building, we expect the Subject property's monthly rental would be INR 77.50 per sq. ft. per month (inclusive of parking charges) and the same is considered for our calculations.

- Market rent - Retail:**

- o From FY' 2024 to FY' 2025, approximately 0.04 msf was leased in the rental range of INR 85 – 139 per sq. ft. per month (including parking).

### Lease Transactions FY' 2023-2024:

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month)
Cosmetic Industry	2024	3,090	85
Healthcare	2024	3,204	85
F&B	2023	3,180	120
F&B	2023	4,240	130



Fashion and Apparel	2023	6,330	120
F&B	2023	4,022	100
F&B	2023	567	139
Jewellery	2023	6,268	90
F&B	2023	3,512	100
F&B	2023	4,522	110

Source: Rent roll as of 30<sup>th</sup> September 2024 and Client Information

- Considering the location, accessibility, quality, size of the building, and the upcoming residential clusters, we expect the Subject property's monthly rental would be INR 115 per sq. ft. per month and the same is considered for our calculations.
- **Market rent growth rate:** Considering the current vacancy and future supply profile in the Subject Micro-Market, we expect annual growth in achievable market rentals to be in the range of 5% in the medium to long term.
- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, and other charges. We have considered an annual growth of 5% on other income. Also, other income includes property tax recovery from the tenants as per the contract and the same are escalated at an annual growth rate of 5%.
- **O&M Income:** O&M Income were shared by the Client. O&M income constitutes, O&M Expense and Mark-up of 20% on O&M expense and sinking fund. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Income has been suitably adjusted to normalise it over the future tenure. O&M Income has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards excluding sinking fund.

### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 8.56
O&M Expense	Per sq. ft. per month	INR 17.13
Property Tax	Per sq. ft./month	INR 2.72
Cost Escalation	% p.a.	5.0%
Maintenance Capex	Per sq. ft. per month	INR 2.3

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **O&M Expense:** O&M Cost has been calculated basis markup of 20% on CAM income after deducting sinking fund and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Payroll Expense:** The Payroll expense for the period between 1st October 2024 – 31st March 2025 for WM65 is considered to be INR 4.21 Million. The same has been converted to annual basis and escalated at 6.5% annually for subsequent years.



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value, indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/ low risk interest rates.

In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were pursued. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for a proposed public listing with better liquidity/ marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market player.



- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable REIT. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% was found to be aligned with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that the subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the a forementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 10,130 Million	Indian Rupees Ten Billion One Hundred and Thirty Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 7,800 per sq. ft.
Land area	INR 1,35,000 per sq. ft.

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



**Annexure 1: Cash Flows**

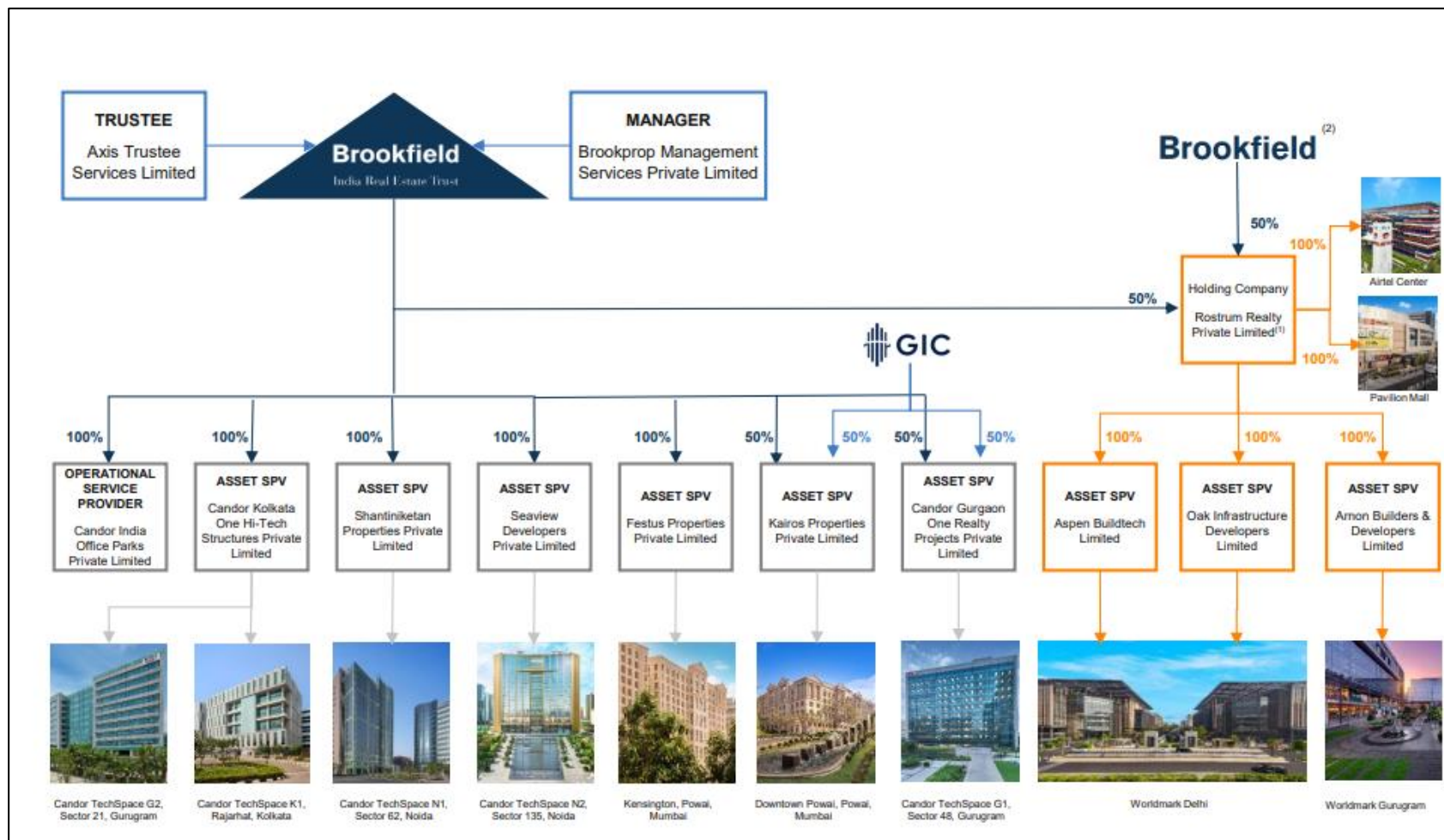
**Completed buildings.**

Particulars	Unit	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34	01-Apr-34 31-Mar-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals (Including Parking)	INR Million	745	813	853	891	930	959	974	1,003	1,049	1,116	1,194
O&M Income	INR Million	168	185	190	196	204	213	230	250	261	271	283
Other Income (Telecom)	INR Million	43	40	42	43	44	45	45	42	42	43	45
<b>Total Income</b>	INR Million	<b>956</b>	<b>1,039</b>	<b>1,085</b>	<b>1,129</b>	<b>1,178</b>	<b>1,217</b>	<b>1,249</b>	<b>1,295</b>	<b>1,352</b>	<b>1,429</b>	<b>1,521</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>956</b>	<b>1,039</b>	<b>1,085</b>	<b>1,129</b>	<b>1,178</b>	<b>1,217</b>	<b>1,249</b>	<b>1,295</b>	<b>1,352</b>	<b>1,429</b>	<b>1,521</b>
<b><u>OPERATING COSTS</u></b>												
O&M Costs For Vacant Areas	INR Million	(4)	(0)	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(25)	(26)	(28)	(29)	(31)	(32)	(34)	(35)	(37)	(39)	(41)
O&M Expense	INR Million	(147)	(161)	(170)	(179)	(188)	(197)	(207)	(217)	(228)	(239)	(251)
Payroll Expense	INR Million	(9)	(9)	(10)	(11)	(11)	(12)	(13)	(14)	(14)	(15)	(16)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(184)</b>	<b>(197)</b>	<b>(208)</b>	<b>(218)</b>	<b>(229)</b>	<b>(241)</b>	<b>(253)</b>	<b>(266)</b>	<b>(280)</b>	<b>(294)</b>	<b>(309)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>772</b>	<b>842</b>	<b>877</b>	<b>911</b>	<b>949</b>	<b>976</b>	<b>996</b>	<b>1,029</b>	<b>1,073</b>	<b>1,136</b>	<b>1,212</b>
<b>Terminal Value</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	15,150	
<b>Transaction Cost</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	(152)	
<b>Fit Out Income</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	<b>772</b>	<b>842</b>	<b>877</b>	<b>911</b>	<b>949</b>	<b>976</b>	<b>996</b>	<b>1,029</b>	<b>1,073</b>	<b>16,134</b>	
Maintenance Capex	INR Million	(21)	(22)	(24)	(25)	(26)	(27)	(29)	(30)	(32)	(33)	
Brokerage Expenses	INR Million	(4)	(6)	(3)	(2)	(5)	(14)	(21)	(15)	(11)	(3)	
Construction Costs	INR Million	(107)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>639</b>	<b>813</b>	<b>850</b>	<b>884</b>	<b>918</b>	<b>934</b>	<b>946</b>	<b>984</b>	<b>1,030</b>	<b>16,098</b>	

*Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.*



**Annexure 2: Ownership Structure**







**Annexure 4: Subject Property Photographs**



View of the Subject Property



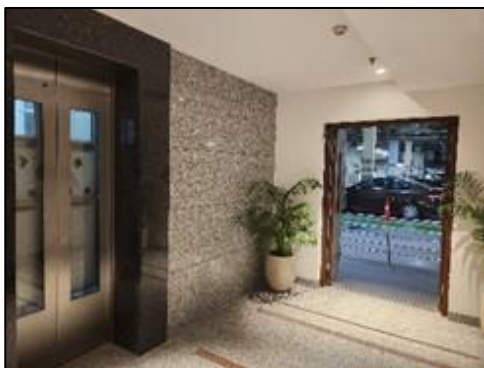
View of the Subject Property



View of the Subject Property



View of the Subject Property



View of the Lobby



View of Office Space



View of Multiplex



View of Parking

**Annexure 5: Statement of Key assets**

<i>Building</i>	<i>No/Name</i>	<i>Worldmark Gurgaon</i>
No. of DG Capacity	KVA	(2x1500 KVA) & (2x 2000 KVA)
No. of Transformer/Capacity	KVA	(3 x 2250 KVA)
Chiller Rating	TR	(4 x 550 TR)
Cooling Tower		(4 x Chiller) (2 x DG)
FF Systems	KW/HP	Sprinkler Panel X 1 ( Combine For All tower) Water Curtain Panel X 1 (Combine For All Tower) (Jockey Pump X 1, Hydrant pump X 1, Sprinkler pump X 1, Fire Engine X 2, Water curtain Pump X 1)
Water pumping System	KW/HP	Domestic Water Pump 3*7.5KW RAW water pump 2 * 5.5KW STP-Flushing Transfer Pump 3 * 11KW Softner Pump 2*11KW
STP Rating	KLD	1 x 265 KLD
Warmshell/Bareshell		Bareshell

Source: As provided by Client

**Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

**Approvals Received**

- a) Building Plan Approvals for all existing/ under construction buildings and amendments thereof
- b) Occupancy Certificates received for all the operational buildings.
- c) Consent to Establish (CTE)
- d) Environment Clearance Certificate
- e) Fire NOC
- f) Height clearance NOC from AAI
- g) BOCW Registration
- h) Forest Clarification
- i) Approval of Service Plan Estimates
- j) Consent to Operate (CTO)
- k) Completion Certificate



**Annexure 7: Ready Reckoner Rate for Built Up area and Land area.**

Proposed Collector rate list of Sub Tehsil Badshahpur, District Gurugram for the year 2023-24									
Sr. No.	Huda Sectors	Rates for the year of 2022-23				Proposed Rates for the year of 2023-24			
		Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO / SCS	Office /IT Space (Rs. Per Sq. feet )	Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO/SCS	Office /IT Space (Rs. Per Sq. feet )
1	Sec-33, 38, 47, 48, 49, 50	44000	165000	10000	6600	60000	180000	11000	6600
2	Sec- 62, 65, 66, 69, 70, 70A, 71, 72	36500	100000	6000	4500	45000	135000	7800	4500
3	Sec-63,63A, 64, 67, 67A, 68	28500	85000	4000	3100	35000	100000	5200	3100
4	Other Area in Sub-Tehsil Badshahpur	NA	9000	6600	NA	NA	9900	7500	NA

Naib Tehsildar,  
Badshahpur

SDO (c)  
Badshahpur

DR  
Gurugram

Deputy Commissioner-cdm- Registrar,  
Gurugram.

**Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by Client, following major repairs/ upgrades have been taken up in the past:

1. Upgrades:
  - Upgraded the area below Multiplex, which has been converted into a dedicated F&B Zone.
  - Chiller plant room expansion has been done.
  - DG -04 replacement from 1500 KVA to 2000 KVA has been done.
  - A stormwater upgrade has been done.
2. List of ESG initiatives
  - Supply of 33KV at site has reduced dependency on diesel.
  - We have switched to new parking management system with fast-tag enabled payment which reduced transaction time.
  - Streamlining the traffic movement during entry/exit. Reduced Automotive emissions as a consequence.
  - Installation of ESP filters in AHUs
  - 2000 KVA NEW DG installed with Dual fuel (Diesel/Gas)
  - 3 no's Sump pump installed for better utilization of rainwater.
  - Awarded Most admired Shopping Centre of the Year "Experience & Atmospherics" for aquatic design differentiation.
  - Analogue water meters are being replaced with digital meters for better control and monitoring of water consumption.
  - BMS integration with electrical meters to have better control and monitoring of electricity consumption.



## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations, or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited



information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates, and employees, must not use, reproduce, or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.





# **VALUATION REPORT**

**Bharti Airtel Centre, Sector – 18, Gurugram, NCR**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: **6<sup>th</sup> November 2024**

**Submitted to: Brookfield India Real Estate Trust**





## **Disclaimer**




*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> August 2024 to Letter of Engagement ("LOE") dated 23<sup>rd</sup> December 2022 & addendum to LOE dated 22<sup>nd</sup> September 2023 without the prior written consent of the Valuer.*

*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23<sup>rd</sup> December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*

## Executive Summary

<b>Bharti Airtel Centre, Sector-18, Gurugram, Haryana</b>		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	 View of the Subject Property
<b>Site Visit Date:</b>	22nd April 2024 (No further site visits have been conducted)	
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.	
<b>Valuation Purpose:</b>	Disclosure of valuation of assets forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014.	
<b>Location / Situation:</b>	<p>Bharti Airtel Centre (herein after referred to as “Subject Property”) is located in Phase IV of Sector 18 in Gurugram, one of the established and prime business district namely Gurugram North (hereinafter referred to as the “Subject Micro Market”).</p> <p>The Subject Property is accessible via NH- 48 and is well connected with other parts of the city through road and other infrastructure. The nearest metro station is Cyber City rapid metro which is approx. 1.7 kms away from the Subject Property. Both international as well as domestic airports are in the range of 12-16 kms from the Subject Property.</p> <p>The profile of surrounding development for the Subject Property constitutes developed residential and commercial developments. The commercial developments in the vicinity are AIHP Tower, ASF Towers, Indiabulls.</p> <p>The Subject Property is also in proximity to DLF Cyber City.</p>	 View of the Subject Property
<b>Description:</b>	<p>The Subject Property admeasure 6,92,585 sq. ft. of leasable area. Currently the committed occupancy* is 100%, occupied by Bharti Group of Companies. The property was completed in 2009.</p> <p>The Subject Property comprises of 3 basements and 8 floors of office space. The Subject Property has a façade of glazing glass and circular courtyard with spiral shaped water fountain, forming the epicentre of the area around. The office blocks are safely encircling the courtyard, maximizing the daylight and external view to its occupants. The office space also has a small cafeteria and a sitting space on all the floors facing the courtyard in the centre.</p> <p>For parking the Subject Property has three basements, out of which two basements are dedicated for the four-wheeler parking with total parking slots of 1028.</p>	 View of Access Road



	<p>The Subject Property also consist of amenities such as health club, day care and a cafeteria in the courtyard with a high skylight. Further it has fully functional food court at the ground floor.</p> <p>Other amenities in the Subject Property includes Lift, Power Back Up, Intercom Facility etc.</p>	
<b>Total Area:</b>	<p>Total Land Area: ~4.7 Acres</p> <p>Completed Leasable Area: 692,585 sq. ft.</p>	

*Source: Architect's Certificate (Dated:30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area.*

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30th September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 12,431 Million	Indian Rupees Twelve Billion Four Hundred and Thirty-One Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.



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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Subject Property:** Bharti Airtel Centre, Sector - 18, Gurugram, NCR

**Report Date:** 06<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred to as the “Valuer”), in order to undertake the valuation of office property located in Gurugram (hereinafter referred to as “Subject Property” and/or “Airtel Centre”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The Subject Property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor's in Architecture in 2002 and Master's in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT Micro Markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

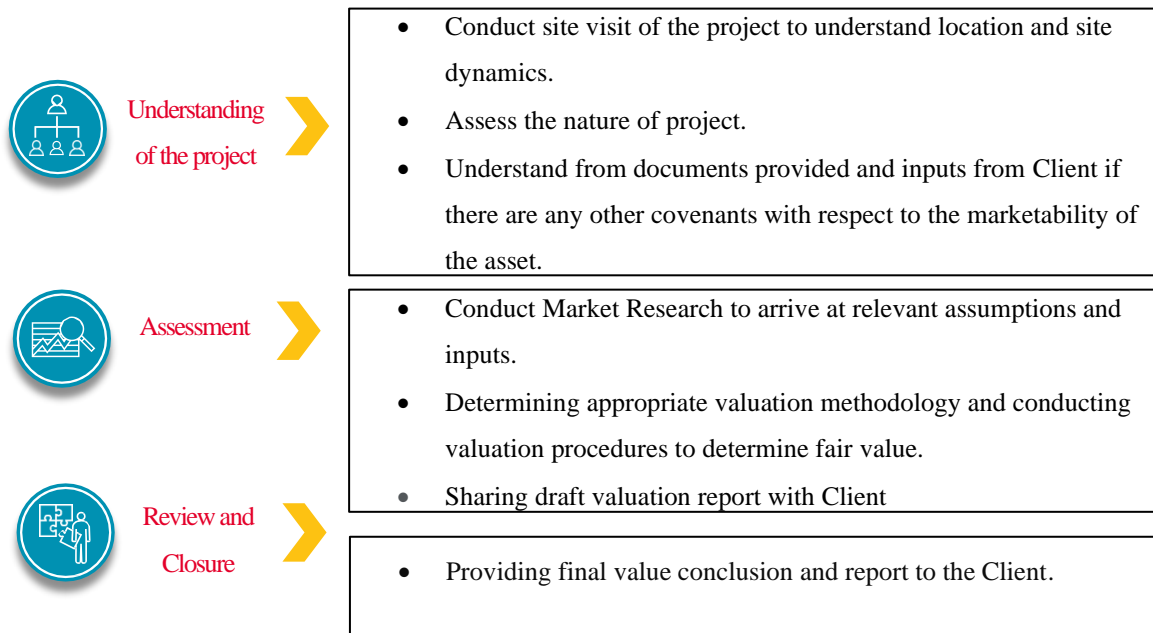
The purpose of this valuation is for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as *‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same may be derived by any of the following approaches:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the property to prospective tenants typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/above market leases on the valuation of the Subject Property.

*For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.*

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock - in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## 8 Inspection

The Property was inspected on 22<sup>nd</sup> April 2024 by the Valuer (No further site visits have been conducted). No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied

entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any other purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by him due to such usage other than for the purpose as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in her favor, reasonably satisfactory to him for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## **12 Reliant Parties**

The reliance on the valuation reports prepared as part of this engagement is extended to **Brookprop Management Services Private Limited ("Brookprop" or "The Manager")**, the **Brookfield India Real Estate Trust ("Brookfield REIT")** and their unit holders and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The auditors, debenture trustees, stock exchanges, unit holders of the REIT, **Securities and Exchange Board of India (SEBI)**, and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

## **13 Limitation of Liability**

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

## **14 Disclosure and Publication**

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

## **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants and undertakes that:

They are familiar with applicable Anti-Corruption Laws under this Agreement including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case she is insisted upon or asserted by the Client to violate any of the above said undertakings in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate this Agreement without any liability or obligation on his part.

Such termination of this Agreement shall not in any way prejudice the rights and obligations (including payment for the services delivered under this Agreement) already accrued to the Valuer, prior to such termination.



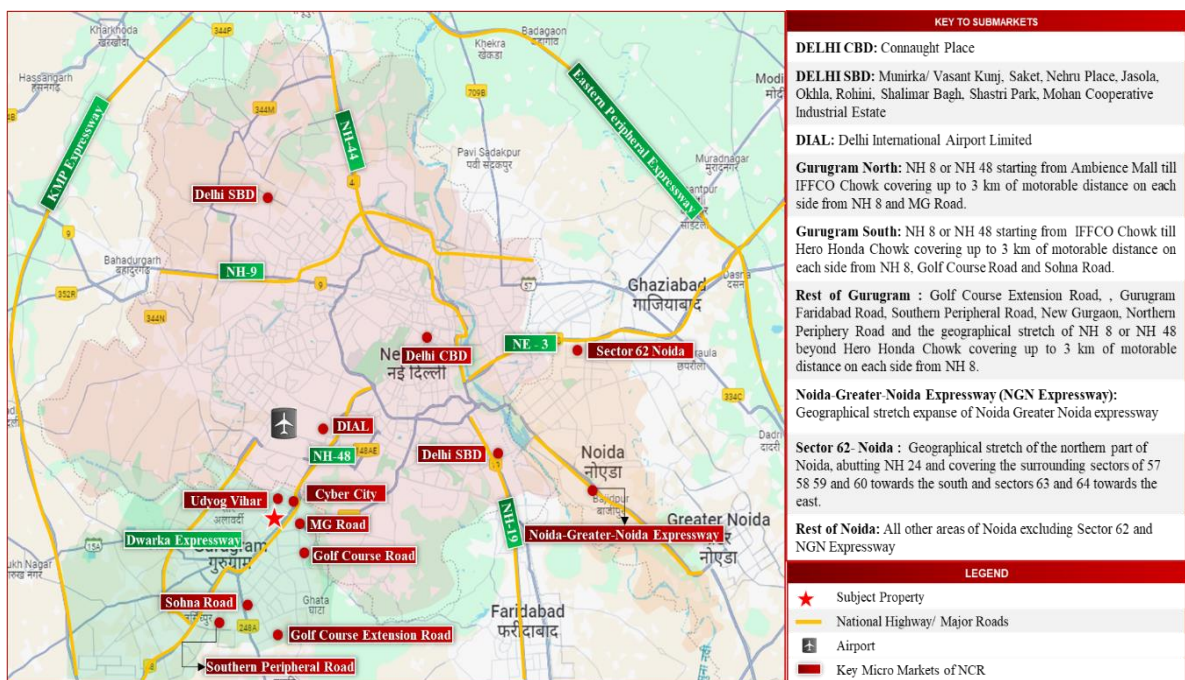
## **B National Capital Region Overview**

For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out Industry and market report.

## 1 National Capital Region Overview

National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (*Source: www.un.org*). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan. In the last two decades, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The map below highlights the key office micro markets of NCR illustrating the geographical expanse of the office market. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



*Source: Cushman and Wakefield Research*

*(Map not to scale)*

NCR is presented as a consolidated office market comprising four independent micro markets:

1. Delhi (which further comprises micro-markets viz, Delhi CBD & Delhi SBD)
2. Gurugram (which further comprises micro-markets viz, Gurugram North, Gurugram South & Rest of Gurugram)
3. Noida (which further comprises micro-markets viz, Sector 62, Noida–Greater Noida (NGN) Expressway & Rest of Noida)
4. Delhi International Airport Limited (DIAL)

The table below highlight the key statistics of NCR's office micro markets:

Particulars	NCR overall	Delhi	DIAL	Gurugram*	Noida	Gurugram North^
<b>Total Completed Stock till 9M CY 2024 (msf)</b>	93.79	3.45	1.51	64.49	24.33	29.40
<b>Current Occupied Stock till 9M CY 2024 (msf)</b>	74.74	2.66	1.41	52.05	18.62	27.51
<b>Current Vacancy 9M CY 2024 (%)</b>	20.3%	22.9%	6.9%	19.3%	23.5%	6.4%
<b>Avg. Annual Absorption - 2022 – 9M CY 2024 (msf)</b>	4.19	0.13	0.06	2.84	1.16	1.45
<b>Future Supply – Q4 CY 2024 E – 2026 E (msf)</b>	13.65	-	3.45	7.12	3.09	3.60
<b>Market Rent – 9M CY 2024 (INR psf / month)</b>	88	146	229	95	55	115

Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \* Brookfield India REIT's city market for Subject Property..
4. ^Subject Micro Market within Brookfield India REIT's city market for Subject Property.
5. Stock ( "stock" and / or "relevant stock") and Supply ( "supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria. Additionally, for Noida, Non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
9. Rentals presented above are quoted weighted average values on completed stock.

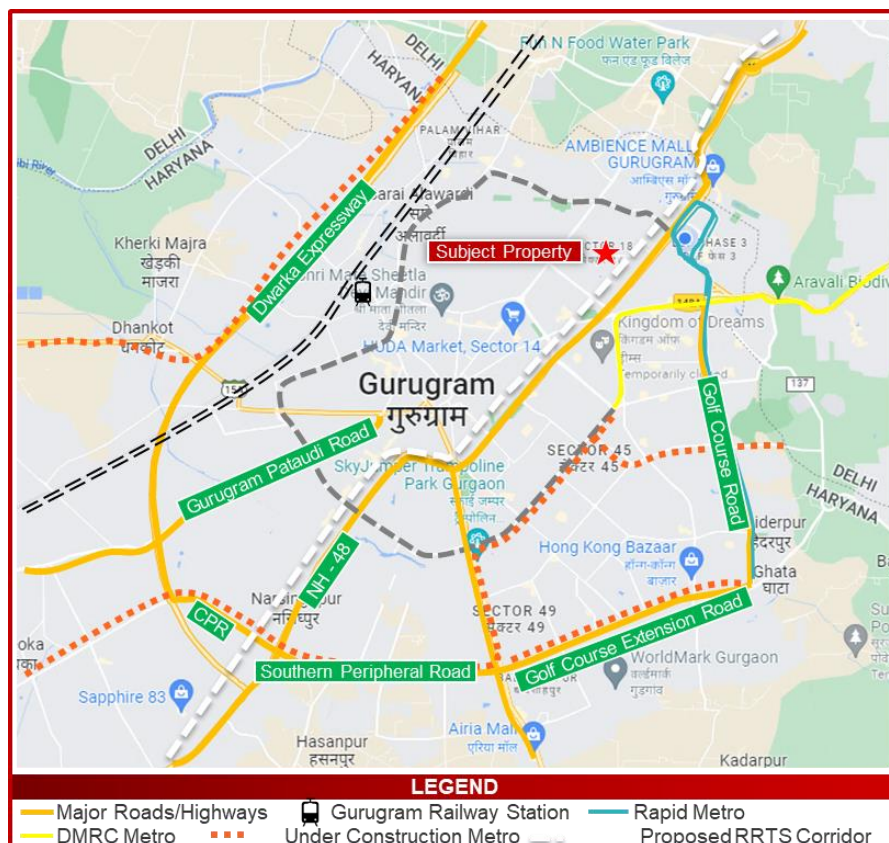


## 2 Brookfield India REIT's City Market - Gurugram

Bharti Airtel Centre is a freehold, Grade-A asset located in Gurugram North. The Subject Micro Market has well-planned infrastructure, is in proximity to key office and residential vectors and has established social infrastructure.

### 2.1 Overview

Gurugram (often called the millennium city) is located towards the South-West of Delhi. Gurugram falls under the Indian state of Haryana. Gurugram district is the second largest city of Haryana and serves as its industrial and financial center. As per the Census 2011, Gurugram has the 3rd highest per capita income in India after Chandigarh and Mumbai. The area of the Gurugram District is 1,258 sq. km. Further, the Indira Gandhi International Airport which is currently the only International Airport servicing the civil aviation demands of NCR is located at approximately 12 km from Cyber City. Compared to other suburban locations in Delhi, Gurugram enjoys several competitive advantages like presence of large multi-national corporations (MNCs) and their corporate office hubs, presence of multiple nationalized developers, connectivity, support infrastructure etc. Locational advantages along with presence of physical and social infrastructure has helped Gurugram to emerge as one of the prime office markets of NCR.



Source: Cushman and Wakefield Research  
(Map not to scale)

Note: CPR stands for Central Peripheral Road

Note: The DMRC Yellow Line metro is under construction and will be extended from Millennial City Centre Gurugram to Udyog Vihar, via Old Gurugram and finally terminating at Cyber City rapid metro station. Also, a station for Delhi – Alwar RRTS is proposed to enter Gurugram from Aerocity with a station at Cyber City and Rajiv Chowk on NH – 48. The source for the said metro routes is the information available in the public domain and may differ subject to final approvals.

### **Real Estate Overview**

**Office:** The established office clusters of Gurugram are concentrated towards Cyber City, Udyog Vihar, MG Road, Golf Course Road and Sohna Road. Golf Course Extension Road is the next emerging office location after the clusters stated above. Gurugram is primarily characterized by investment grade developments offering modern amenities. To name a few, established players like DLF, Brookfield, Bharti, Hines, Vatika, Tata Realty, Ascendas, etc. have their footprint in Gurugram.

**Retail:** The retail landscaping of Gurugram is skewed towards retail mall format. MG Road, Golf Course Road, Sohna Road and NH 48 are the established retail mall locations of Gurugram. Galleria Market in DLF Phase – IV is one of the prominent high streets in Gurugram. Presence of a significant young working population in Gurugram led to the emergence of new formats viz. F&B hubs like DLF Cyber Hub, Sector 29 and 32nd Milestone, and are well accepted now. Golf Course Extension Road, Southern Periphery Road and Northern Periphery Road are the emerging locations for retail development. Golf Course Extension Road is primarily skewed towards high street retail formats.

**Residential:** The established residential clusters of Gurugram are concentrated towards Golf Course Road, Sohna Road, Sector 51 – 56 and Udyog Vihar. Golf Course Extension Road has also gained prominence as a residential location over past 2-3 years. Southern Periphery Road and Northern Periphery Road are the upcoming residential locations.

**Other lifestyle:** The hospitality segment in the Gurugram comprises of international and national renowned hotel groups such as Taj, Oberoi, Trident, Hyatt and many more located centrally in the city and servicing to foreign and domestic travellers. The hospitality segment in the city has grown tremendously to accommodate the growing demand from office occupants and residential population of the city. Currently, Gurugram houses over 2,500 keys in 4 & 5-star category of hospitality segment.

With more than 16,000 students graduating every year, Gurugram has ample talent pool to cater the office occupants present in the city. MDI, Amity University, ICFAI Business School etc. are few of the renowned educational campuses present in Gurugram.

Gurugram is divided into three office micro markets:

- Gurugram North – NH 48 starting from Ambience Mall till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road. The Subject Property is located in Gurugram North micro market.
- Gurugram South – NH 48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48, Golf Course Road and Sohna Road.
- Rest of Gurugram – Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurugram, Northern Periphery Road and the geographical stretch of NH 48 beyond Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH 48.

The key drivers of demand for office space in Gurugram are as follows:

- **Connectivity and linkages:** Gurugram is well connected to other nodes of NCR via robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work.
- **Proximity to Indira Gandhi International airport:** Gurugram is in close proximity to airport and hence attracted large occupier base to the city. Its closeness to airport helped the city to grow at a very fast pace.
- **Presence of social and lifestyle infrastructure:** Along with good physical infrastructure the city offers a healthy mix of social and lifestyle infrastructure. Presence of good schools like Shri Ram, Shiv Nadar, Lotus valley, Suncity etc.; good hospitals like Artemis, Medanta, Fortis etc.; retail malls like Ambience mall, MGF Metropolis etc.; F&B formats like Cyber Hub, 32nd Milestone, Sector 29 etc.; crèche like Klay, IPSAA, Footprint etc.; has made Gurugram as one of the most preferred micro markets for the working population. The city offers easy accessibility to the amenities required by the working population to lead life independently.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** As the city is accessible through multiple modes of transportation and it offers residential spaces across various price categories, it attracts talent pool from all adjoining locations.
- **Growth of IT and GCC in India:** As India is moving ahead into a higher growth trajectory; the real estate requirement of the growing technology industry is also increasing. Traditionally, the Indian Technology industry was centered in Bangalore and later expanded to other cities such as Noida, Gurugram, Hyderabad, Pune, Chennai, and Mumbai. Concurrently, India has become a host to a staggering count of over 1,580 Global Capability Centers (GCCs) in the fiscal year 2023. These GCCs have collectively amassed a revenue of nearly USD 46 billion, providing employment to over 1.66 million individuals. The allure of India's adept workforce and well-equipped office infrastructure has beckoned numerous multinational corporations to establish GCCs within the country. With the growth in IT Sector and GICs/GCCs, the demand for real estate from these companies have also seen an increase. These companies generally have high stickiness and typically prefer office spaces which offer large floor plates, amenities in the park and have proximity to the talent pool catchment areas.
- **Healthy mix of commercial, IT/ITeS, Non-IT and SEZ Developments:** Gurugram offers a healthy mix of commercial, IT/ ITeS, Non-IT and SEZ office space and hence attracts the occupier base across categories.

## 2.2 Key Statistics – Gurugram

Evolution of Gurugram as an office market has been phenomenal. With Gurugram emerging as an alternate to Delhi, it has witnessed multiple patterns of development viz. from strata sold developments to fully owned buildings and to integrated / campus developments. Supply introduced in the market in recent years has followed the demand characteristics, which gave rise to suitable patterns and quality of developments as required by the occupiers.

Particulars	Details
<b>Total Completed Stock (9M CY 2024)</b>	Approximately 64.49 msf
<b>Current Occupied Stock (9M CY 2024)</b>	Approximately 52.05 msf
<b>Current Vacancy (9M CY 2024)</b>	Approximately 19.3%
<b>Avg. Annual Net Absorption (2022 – 9M CY 2024)</b>	Approximately 2.84 msf
<b>Future Supply (Q4 CY 2024 E – 2026 E)</b>	Q4 CY 2024E: Approximately 1.05 msf 2025E: Approximately 4.27 msf 2026E: Approximately 1.79 msf

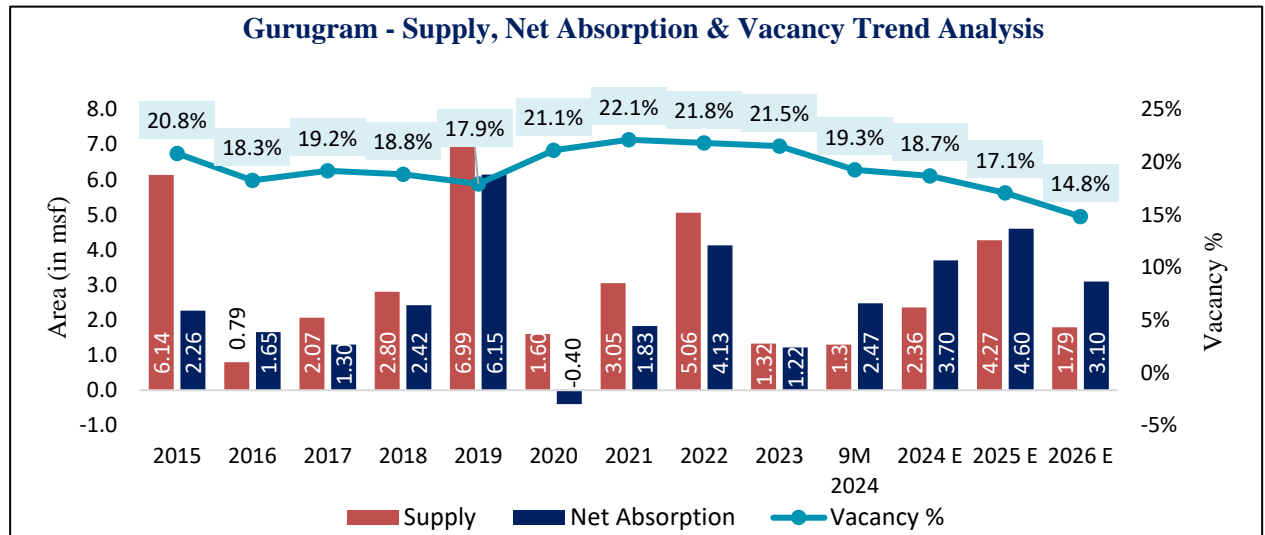
Source: Cushman and Wakefield Research

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Stock ( “stock” and / or “relevant stock”) and Supply ( “supply” and / or “relevant supply”) numbers are computed by excluding the buildings which are less than 1 lakh square feet in area, and applying certain other criteria..
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

## 2.3 Supply, Net Absorption & Vacancy

The supply, net absorption & vacancy trend for Gurugram is as follows:



Source: Cushman and Wakefield Research

### Notes:

- Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
- Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
- The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The micro markets in Gurugram developed their individual flavours in terms of nature of developments (campus and integrated, strata and non-strata buildings) and larger developers created an ecosystem favouring their developments. Occupiers prefer office spaces offering better amenities and the health & safety standards. With infrastructure getting a boost from the government and city limits expanding, new micro markets are gaining prominence as office destination.

Gurugram has shown positive trend in supply and net absorption. The net absorption as of 9M CY 2024 is 2.5 msf with vacancy of 19.3%. With increased hiring across the sectors specially Technology and BFSI (which are large contributors to office market of India) the new demand is likely to keep growing for the office market. Gurugram's nature of hosting diverse demand from sectors like Technology, BFSI, professional services, media and telecom would help keeping the net absorption figures growing. In our view, the future supply would follow net absorption trends, maintaining the real estate growth momentum in the city. Hence, the vacancy levels are expected to move southward in the coming future.

The analysis of current overall vacancy level of Gurugram suggest that the vacancy levels for non-strata development is 12.3% as compared to the strata developments as 31.6%. This clearly demonstrates the preference of occupiers in the market.

It is further evident from the fact that the vacancy of the prominent non-strata developments of Gurugram has consistently remained sub 5%. As on 9M CY 2024, office buildings like One Horizon Center, DLF Cyber Park are fully occupied. TRIL Commercial and multiple buildings in DLF Cyber City have vacancy below 5%.



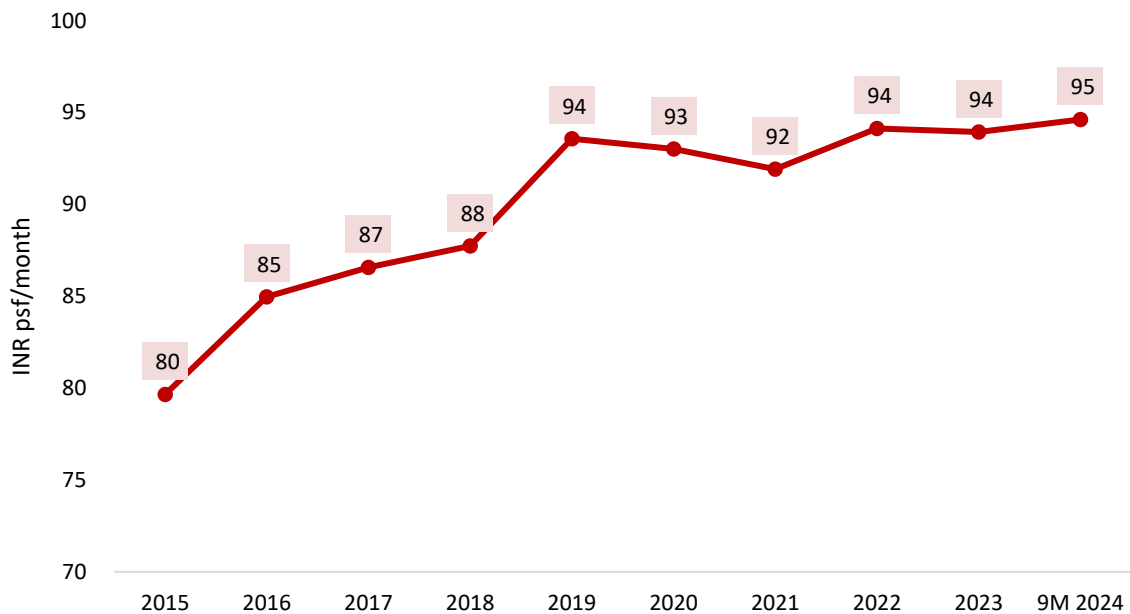
Further, DLF Downtown which was completed in CY 2022 was more than 90% pre-committed prior to its completion and is currently fully occupied.

Looking ahead, Gurugram's office landscape is set to be primarily shaped by non-strata owned developments. This is evident in the anticipated future supply of approximately 7.12 msf scheduled for completion between Q4 CY 2024E – CY 2026E.

## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:

### Gurugram – Quoted Rental Trend



Source: Cushman and Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across Gurugram.
2. The quoted rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals presented above are weighted average values on completed stock.

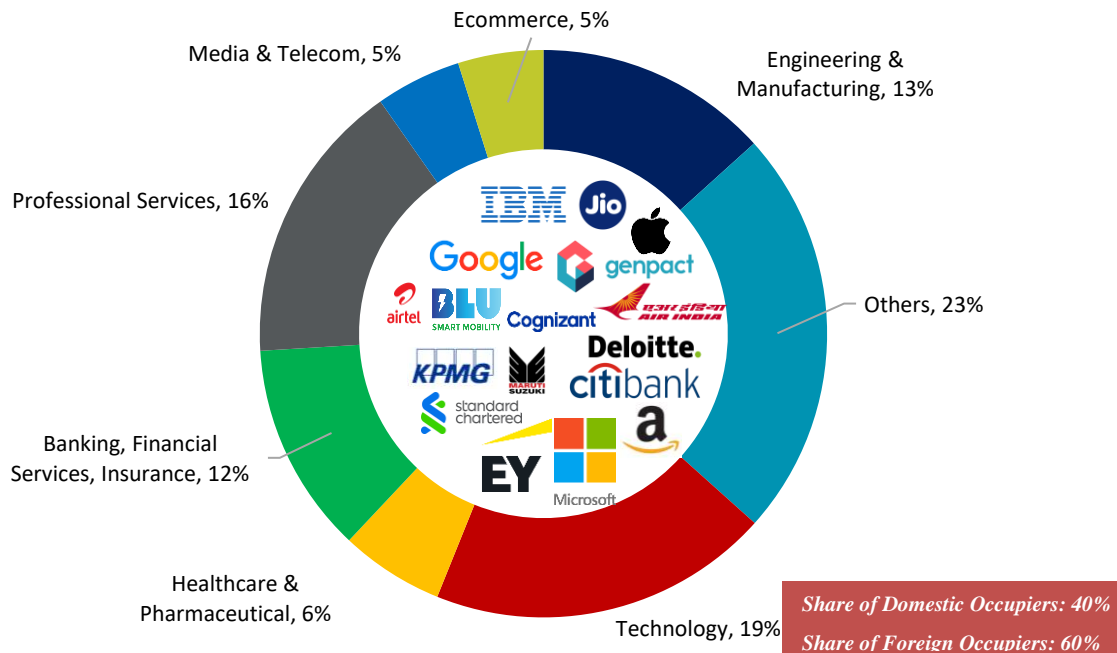
Gurugram witnessed a stabilised rental growth of approximately 3.3% between CY 2015 to CY 2018 and witnessed sharp spike in CY 2018 – CY 2019, resulting in a rental growth of ~6.6%. Approximately 75% of the supply addition in the city between CY 2020 and CY 2022 are either in the developing office micro market or strata sold because of this the rentals in the city have remained stable post CY 2019.

New supply addition in last 1-2 years in the established micro markets like NH 48 Prime, DLF Cyber City have given an upward push to the rentals. The developments like HQ 27, DLF Downtown added in established clusters are quoted at higher rentals prevailing in their respective cluster.

Among Gurugram's micro markets, DLF Cyber City commands the highest rentals followed by Golf Course Road. NH 48 Prime micro market witnessed a drastic increase in rentals in 2019 due to the addition of DLF Cyber Park. With denotification allowed in SEZ developments; the rentals for said developments are expected to increase from current levels (as it broadens the potential occupier base for the property). Thus, creating an overall positive impact for the city.

## 2.5 Sectoral Demand Analysis – Gurugram (CY 2015 – 9M CY 2024)

### Key Industries present in Gurugram (CY 2015 – 9M CY 2024 ~54.49 msf)



Source: Cushman and Wakefield Research

#### Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of Gurugram's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Gurugram's office supply constitutes an equal mix of commercial and IT/ITeS developments and reflects similar positioning in demand. Technology is the prominent sector contributing 19% to the overall demand. The other prominent industries contributing 42% to the demand are Professional Services (16%), BFSI (12%) and Engineering & Manufacturing (13%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Gurugram is 60:40.



### **3 Gurugram North – (Subject Micro Market)**

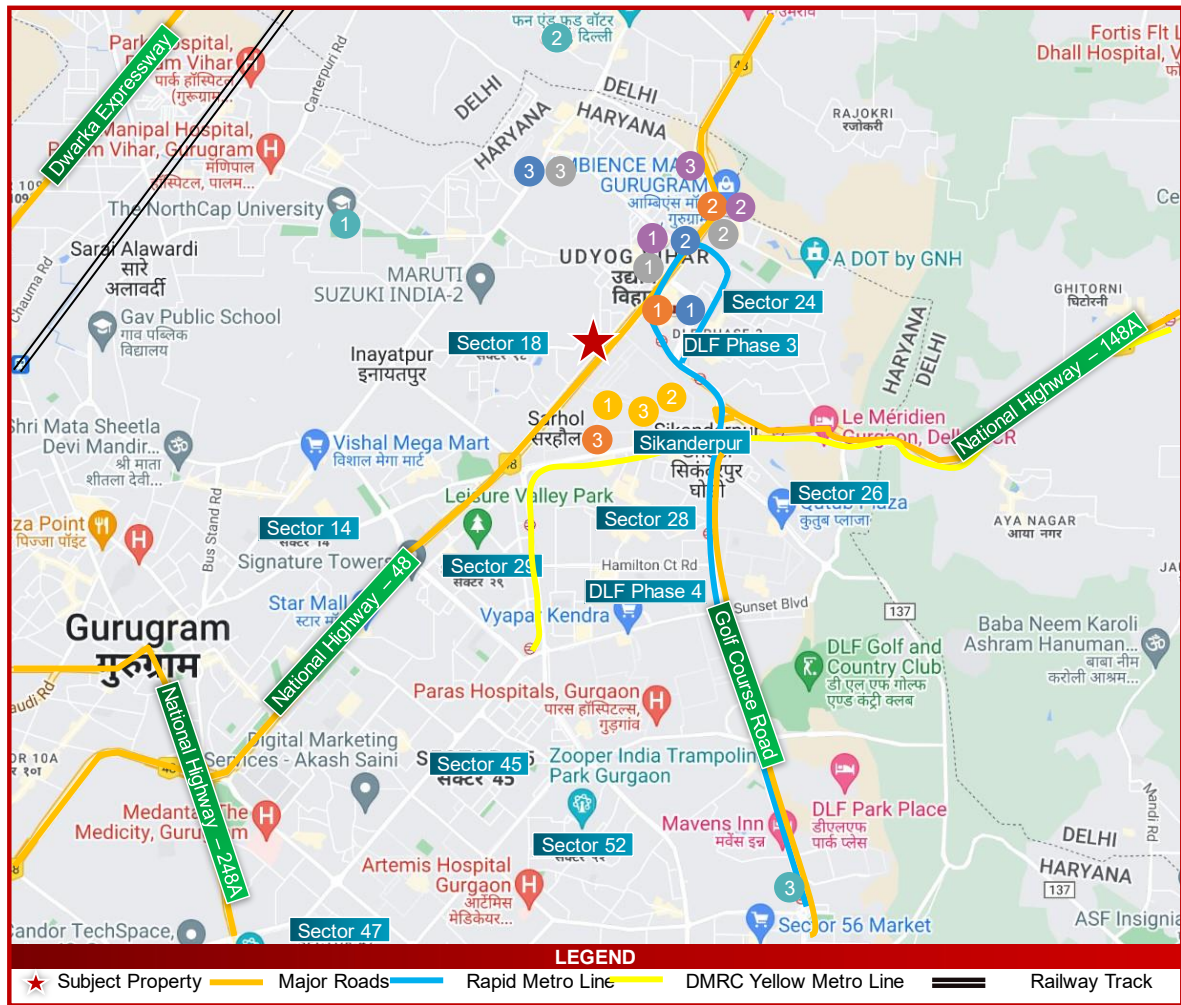
#### **3.1 Overview**

Gurugram North is the largest and prime business district of Gurugram. It is an established office, residential and retail destination of Gurugram. The office supply in the Subject Micro Market is interspersed between investment grade and sub-investment grade developments. The office supply constitutes a mix of IT, Non-IT and SEZ developments, primarily skewed towards IT.

Residential supply in this micro market constitutes a mix of independent plotted development and high-rise group housing developments catering to Middle-Income, Upper Middle-Income and High-Income Group. The retail landscaping of Gurugram North is a mix of high street and retail malls.

Emergence of DLF Cyber City as an office and leisure destination has resulted in upgrading the available infrastructure, imposing a positive impact on the Subject Micro Market. Some of the prominent office developments in this micro market are DLF Cyber City, Candor TechSpace G2, DLF Cyber Park, RMZ Centra One, and the Subject Property. In addition, some of the renowned hotels within close proximity of the Subject Property includes The Leela, The Bristol, The Oberoi/ Trident, and Le Meridien.

### 3.2 Social and Physical Infrastructure



Source: Cushman & Wakefield Research  
(Map not to scale)

- Key Commercial Developments
- Social Infrastructure
- Lifestyle Infrastructure
- Proposed/Under Construction Office Developments
- Hospitality Developments
- Higher Education Institutions

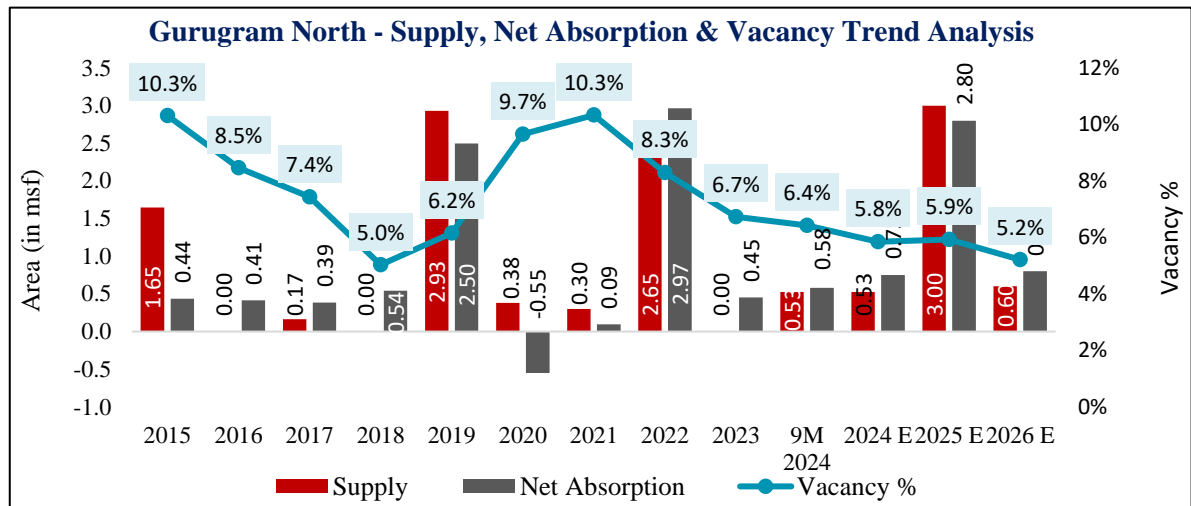
Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF Cyber City (1.9 km)	1. American Montessori Public School (1.6 km)	1. DLF Cyber Hub (1.4 km)	1. DLF Atrium Place (1.5 km)	1. Oberoi/ Trident Hotel (1.9 km)	1. The NorthCap University (4.9 km)
2. DLF Cyber Park (2.0 km)	2. Delhi Public School (1.7 km)	2. Ambience Mall (2.6 km)	2. DLF Downtown Block 4 (2.4 km)	2. The Leela (2.6 km)	2. Fairfield Institute of Management & Technology (5.2 km)
3. Candor Techspace G2 (3.5 km)	3. DAV Public School (1.8 km)	3. MGF Metropolitan Mall (3.1 km)	3. Candor Techspace G2 Building no.12 (3.5 km)	3. Radisson Hotel (3.1 km)	3. IILM University (8.6 km)



The Subject Property is located in Sector 18 of Gurugram and is accessible via NH 48 which is the main road, connecting Gurugram to other cities of NCR.

Both international as well as domestic airports are in the range of 12-16 kms from the Subject Micro Market (assuming Subject Property being the point of measurement). Currently the nearest metro station is Cybercity station on Rapid Metro line. Further, the state government has approved the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting HUDA City Centre Metro Station to Udyog Vihar via Subash Chowk, Hero Honda Chowk, Old Gurugram, and Palam Vihar Extension and shall have 27 new stations. The 28 km extension is currently under construction.

### 3.3 Supply, Net Absorption & Vacancy Analysis



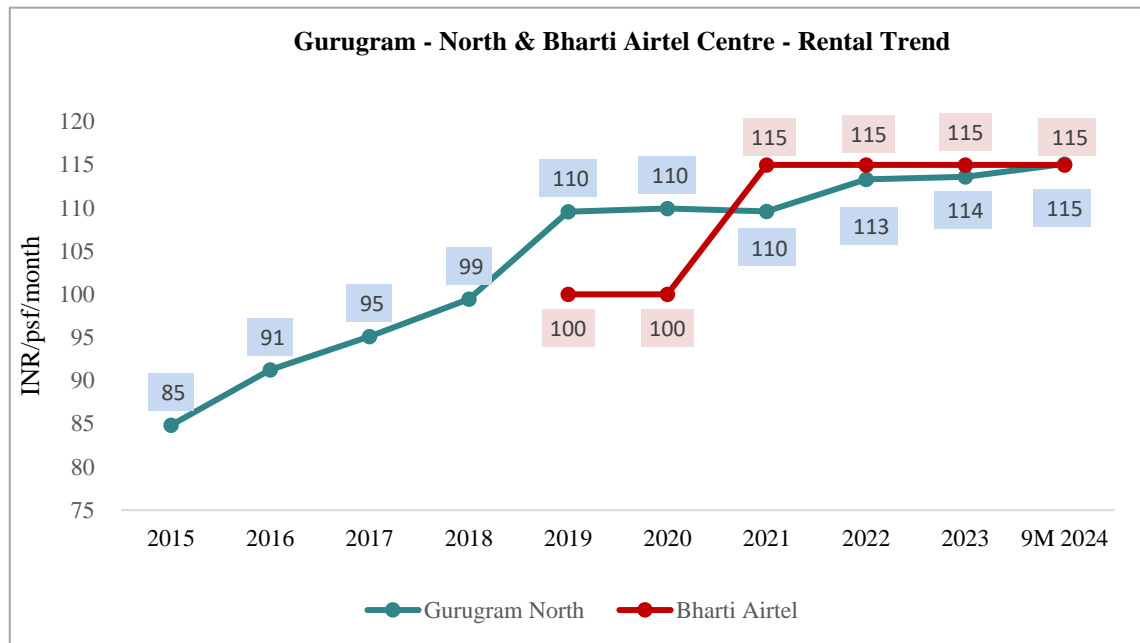
Source: Cushman and Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings with less than 1 lakh square feet of area and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The Subject Micro Market refers to the geographical stretch of NH 48 starting from Ambience Island till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road. It is the biggest and prime business district of the city, contributing about 46% of total stock of Gurugram. Gurugram North has witnessed limited supply since 2015 and witnessed consistent demand from occupiers. Gurugram North benefits from its location and presence of established players like Brookfield and DLF. The quality of developments coupled with locational advantages will continue to drive demand for the Subject Micro Market. The vacancy in the Subject Micro Market has remained sub 10% since CY 2015. The net absorption as of 9M 2024 for the Subject Micro Market is 0.6 msf with vacancy at 6.4%.

### 3.4 Rental Trend Analysis



Source: Cushman and Wakefield Research

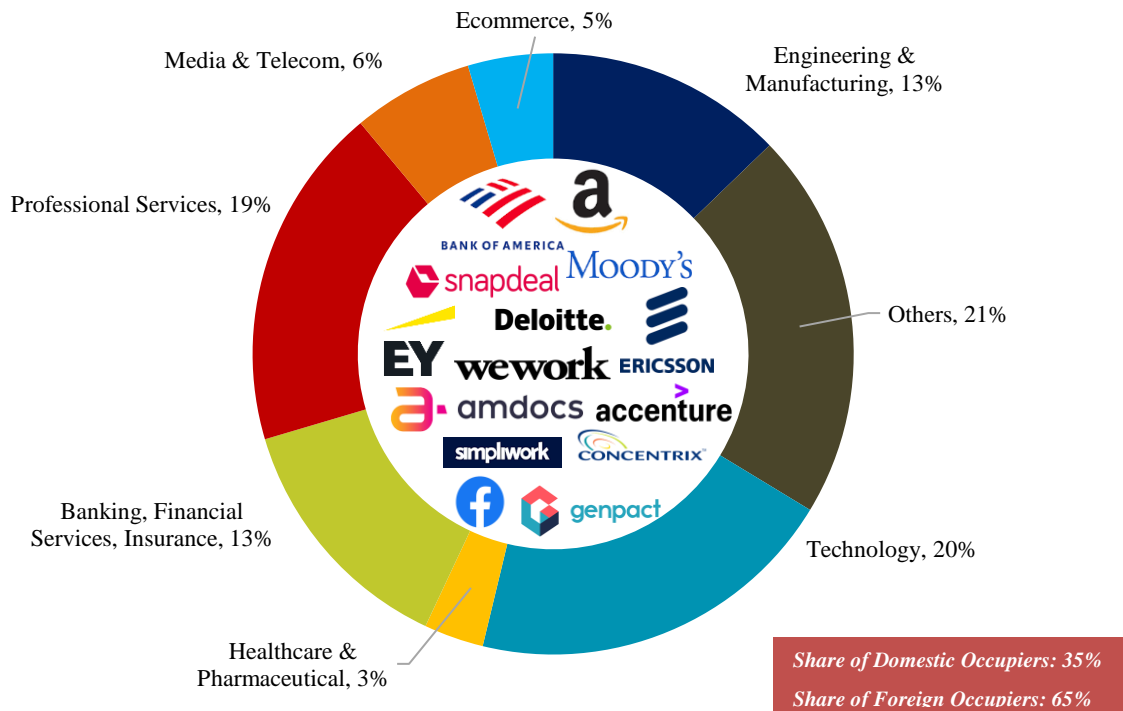
Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. The quoted rentals of the Subject Micro Market shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals for Bharti Airtel Centre have been sourced from Client. These rentals are as on Financial Year ending i.e., as of end of September.
4. Rentals presented above are weighted average values on completed stock.

Gurugram North is the micro market closer to Delhi, IGI airport as well as easily accessible by NH 48 and hence enjoys superior connectivity with Delhi and NCR at large, as compared to other micro markets of Gurugram. The Subject Micro Market has been developed majorly by players like DLF, Brookfield, Ambience, BPTP etc. and hence offers quality developments with better amenities. Gurugram North is also benefiting with regular infrastructure upgradation. This micro market has witnessed above average rental growth as it has managed to attract significant occupier base owing to its access to physical infrastructure and social amenities like F&B hubs at Cyber hub, Sector 29 etc. which are sought after by contemporary working population.

### 3.5 Sectoral Demand Analysis – Gurugram North (CY 2015 – 9M CY 2024)

#### Key Industries present in Gurugram North (CY 2015 – 9M CY 2024 ~27.77 msf)



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of Gurugram North's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Gurugram North is dominated by Technology and Professional Services sector which together contributes 39% of the leasing activity in the period CY 2015 – 9M CY 2024. The tenants are attracted to the Subject Micro Market due to availability of good physical and social infrastructure. The technology occupiers in this micro market are involved in the activities of software development, process engineering, research and development etc. The Engineering occupiers in this micro market are involved in the activities of telecom research & development, automobile sales etc. The other prime contributors to the demand are Engineering & Manufacturing and BFSI, together contributing 26%. The mix of foreign and domestic occupants in Gurugram North is 65:35.

#### **4 Market Outlook**

Gurugram North comprises of some well-established office developments including Bharti Airtel Centre, Candor TechSpace G2, DLF Cyber City, DLF Cyber Park, DLF Downtown etc.

The Subject Micro Market has always remained the preferred office destination, which is reflected in the vacancy levels (which have been largely sub 10% since CY 2015 – except the Covid impacted years) and the prevailing rentals. The net absorption as of 9M CY 2024 for the Subject Micro Market is 0.6 msf with vacancy at 6.4%. Further, with limited supply addition and continuous traction from occupiers, the vacancy expected to be rangebound below 6%.

According to the market assessment provided, the current weighted quoted average market rentals of Subject Micro Market is INR 115 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Work from home period has also significantly reduced and many organisations have started calling their workforce back to office. Considering the well-maintained infrastructure, key location, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network), increasing trend in return to office, the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.

Also, the Subject Micro Market constitutes large IT Parks which fit well with requirement of Technology sector. We expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs will further drive significant demand in the office real estate sector and thus the Subject Micro Market.



## **C      SUBJECT PROPERTY REPORT**



## **1 Address, Ownership and Title details of the Subject Property**

Address:	Bharti Airtel Ltd. Plot No. 16, Phase IV, Sector 18, Gurugram, Haryana 122015
Ownership & title details:	Land Tenure: Freehold. The Subject Property is wholly owned by Rostrum Realty Projects Private Limited.

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Khaitan & Co. (Hereinafter referred to as 'Legal Counsels'). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.

## **2 Location**

### **2.1 General**

Bharti Airtel Centre (hereinafter referred to as “Subject Property”) comprising of freehold land of approximately ~4.7 Acres is Airtel’s corporate facility located in Phase IV of Sector 18, Gurugram.

It is part of Gurugram North micro market which is one of the established and prime business district, residential and retail micro-markets of Gurugram. Gurugram’s largest office cluster viz. DLF Cyber City is located in micro market of Gurugram North. Being located in Gurugram North micro market, the Subject Property has access to good physical and social infrastructure. The Subject Property is well connected with other parts of the city through road and other infrastructure. NH 48 is the main connecting road, connecting Gurugram to other cities of NCR.

Subject Property is in close proximity to Cybercity Rapid Metro Station which further enhances its accessibility from different parts of NCR. Also, the state government has approved the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting HUDA City Centre Metro Station to Cyber City Metro via Subash Chowk (nearest landmark to Subject Property), Hero Honda Chowk, Old Gurugram and Palam Vihar Extension. Once operational, the said metro route will have 27 new stations. The same is currently under construction. The location map of the Subject Property is as follows:



*Source: Cushman and Wakefield Research*

*(Map not to scale)*

Site Boundaries:

The site boundaries for the Subject Property are as under:

North: Service Road

South: RMZ infinity park

East: NH- 48 (Delhi – Jaipur Expressway)

West: MM Tower Parcel

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city as well as in the NCR via multiple modes of communication. The distances from major landmarks of NCR are as follows:

- On NH 48 (Delhi – Jaipur highway)
- Approximately 1.4 km from Cyber City Rapid Metro Station
- Approximately 02 km from DLF Cyber City
- Approximately 05 km from Sikanderpur Metro Station
- Approximately 10 km from Gurugram Railway Station
- Approximately 12 km from IGI Airport
- Approximately 25 km from Connaught Place

## **2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### **3 Subject Property - Asset Description**

Subject Property is an IT/ITeS development. The detail of building is as follows:

**Completed building with Occupancy Certificate (OC) received.**

Particulars	Leasable Area (sq. ft.)	Floor (#)	Status	Completion Date
Tower 1 (Wings A and B)	692,585	8 (including LGF and UGF)	Completed	N. A
<b>Total</b>	<b>692,585</b>			

*Source: Architect's Certificate (Dated:30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information*

### 3.1 Key Asset Information

**Completed Building with Occupancy Certificates (OC) received.**

Particulars	Details
<b>Entity:</b>	Rostrum Realty Private Limited
<b>Asset Type:</b>	IT / ITeS
<b>Sub-Market:</b>	Gurugram North
<b>Approved and Existing Usage:</b>	IT / ITeS
<b>Land Area (acres):</b>	~4.7
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	6,92,585 sq. ft.
<b>Occupied Area:</b>	6,92,585 sq. ft.
<b>Committed Occupancy (%) *:</b>	100%
<b>Current Effective Rent (excluding parking):</b>	INR 130.48 per sq. ft. per month (office Tenants only)
<b>Number of Tenants:</b>	4 (office) Bharti Group**

*Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), Rent Roll as of 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

*Note: \*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed Leasable area*

*\*\* Bharti Group includes Beitel Teletech Limited, Bharti Airtel Limited, Nxtra data ltd. And Bharti Foundation.*

*Refer company structure set out in (Annexure 2)*

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 1 tower was physically inspected on 22 <sup>nd</sup> April 2024. No further site visits have been conducted
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational building</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS office space offering large floor plates.</p> <ul style="list-style-type: none"> <li><b>Completed/ Operational Building:</b> The operational building Tower 1 having two wings with OC received admeasure 692,585 sq. ft. of leasable area. The operational building comprises. <ol style="list-style-type: none"> <li>Office: 1 office tower having leasable area of 692,585 sq. ft. The office tower is entirely occupied by Airtel group companies.</li> </ol> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property has STP, rooftop solar panels, EV charging stations, rainwater harvesting tank and pits and organic composting plant. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul> <p><b><u>Awards &amp; Certifications</u></b></p> <ul style="list-style-type: none"> <li>Subject Property has been awarded LEED Gold rating for sustainability in addition to BEE 5 Star rating, Best Innovative Kaizen in Quality - Platinum Award, BEE 5-star rating, CII National Maintenance Circle Competition "Best Case Study on Innovation in Maintenance", and CII National 5S Excellence Award - Diamond rating.</li> </ul> <p><b><u>Parking</u></b></p> <ul style="list-style-type: none"> <li>The large parking requirement is catered by multilevel basements parking slots contributing to 1,028 parking spaces.</li> </ul> <p><b><u>Other Observations</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property has one entry and exit point which are managed according to the traffic circulation plan.</li> <li>The visual inspection of the building did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.</li> <li>The utility areas also appeared well maintained, visually.</li> <li>No instances of any major logging or water accumulation were observed during the inspection.</li> </ul>	

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024

**Note:**

a. The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.

### **3.3 Investigation and nature and source of information**

The Valuer undertook physical visits of the Subject Property wherein the building and related assets were visually inspected to assess the condition of the building and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the Property forming part of the REIT.

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30<sup>th</sup> October 2024) mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific building in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### **3.4 Tenant Profile**

As of 30<sup>th</sup> September 2024, the Subject Property is entirely occupied by Bharti Group which account for ~100% of leased area and ~100% of the gross rental income.

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
<b>1</b>	Bharti Group*	692,585
	<b>Total</b>	<b>692,585</b>

*Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information*

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
<b>1</b>	Bharti Group*	100%
	<b>Total</b>	<b>100%</b>

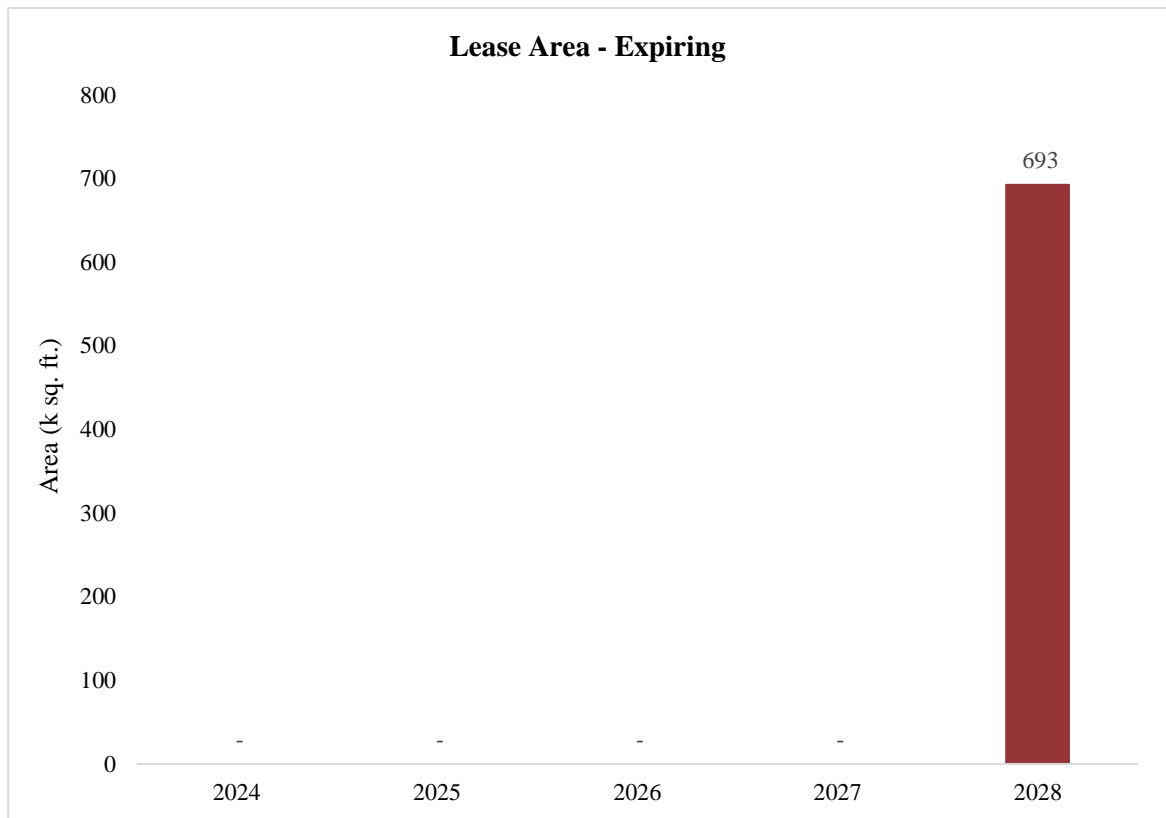
*Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information*

*\* Bharti Group includes Beetel Teletech Limited, Bharti Airtel Limited, Nxtra data ltd. And Bharti Foundation .*



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 3.5 years, with ~100% of occupied area expiring between 2024 and 2028 as shown in the chart below.



Source: Rent Roll as of 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents October 2024 to December 2024.

## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-Market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the micro-market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of commercial/ IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the micro-market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the micro-market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

### **4.3 Cash Flow Projections:**

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### **4.4 Information Sources:**

Subject Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Subject Property Details:

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	692,585
Area Leased	Sq. ft.	692,585
Committed Occupancy*	%	100.0%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97.5%
Rent Free Period – Existing Leases	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	1,028
Estimated Leasing Period	# of quarters	-

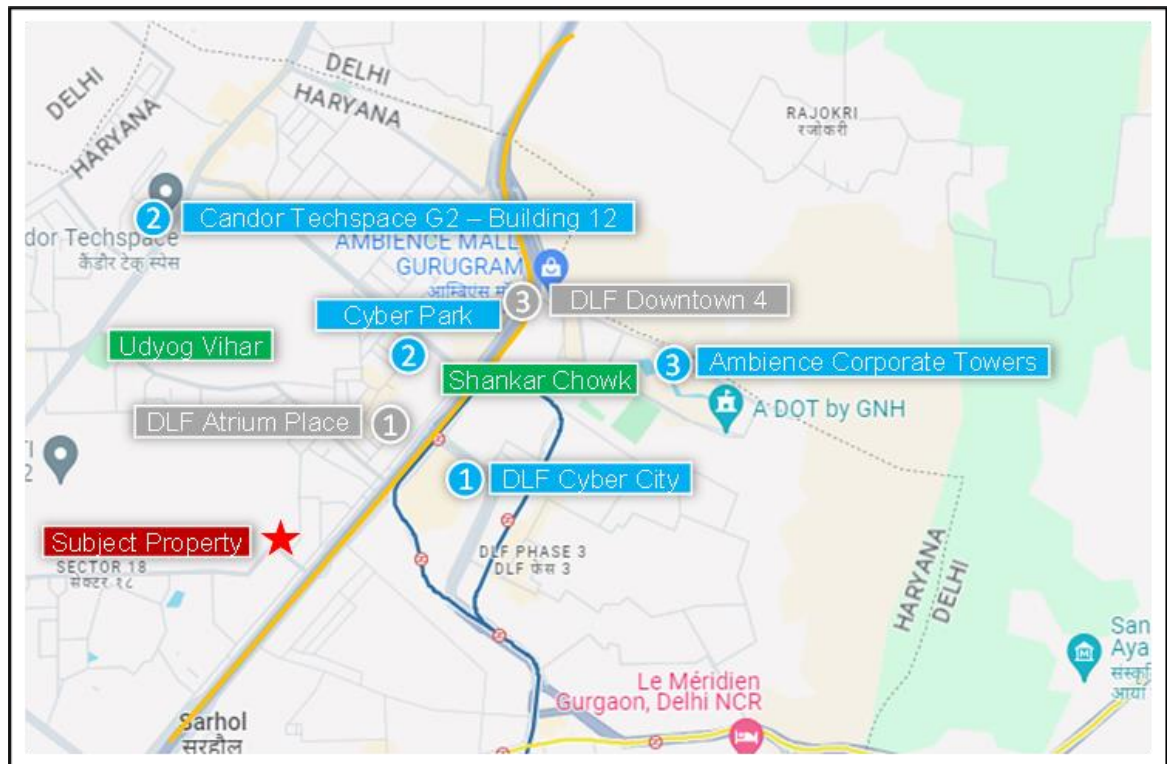
Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as of 30<sup>th</sup> September 2024

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable area).

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2022 – 9M 2024, the Gurugram North micro market has witnessed an average annual net absorption of approximately 1.45 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 1.67 msf per annum till 2026E.
  - Currently the Subject Property is 100% occupied and stabilised vacancy provision for 2.5% has been assumed. Therefore, there is no area to be further leased in the Subject Property.
  - The entire property is leased to Bharti Group with due lease expiry at the end of CY 2028. For the purpose of valuation, post expiry of current lease, we have assumed the entire area as vacant area. The same area will be re-leased within 4 quarters from the date of lease expiry wherein rent-free period is assumed to be 4 months along with brokerage of 2 months of rental.

**Subject Property and Relevant Existing/Upcoming Supply in the Gurugram North Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply and grey box signifies upcoming supply.

## Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 115.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 118.00
Other Income	Per sq. ft. per month	INR 0.12
Rental Growth Rate (for FY'26 onwards)	% p.a.	5.0%
O&M Income Growth Rate –FY 26 onwards (excluding sinking fund)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Income for future leases	Per sq. ft. per month	INR 24.62

- Market rent - office:**
  - Achievable market rent includes parking charges of INR 3 per sq. ft. per month (considering the parking rent of INR 4,000 per slot per month)
  - Considering the location, accessibility, quality and size of the building, we expect the Subject Property's monthly rental would be INR 118 per sq. ft. per month (inclusive of parking charges) and the same is considered for our calculations.
- Market rent growth rate:** Considering the overall occupancy and future supply profile in the Subject Micro Market, we expect annual growth in achievable market rentals to be 5% in the medium to long term.
- Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, and other miscellaneous income. We have considered an annual growth of 5% on other income. Also, other income includes property tax recovery from the tenants as per the contract and the same are escalated at an annual growth rate of 5%.
- O&M Income:** O&M Income were shared by the Client. O&M income constitutes, O&M Expense and Mark-up of 20% on O&M expense and sinking fund. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Income has been suitably adjusted to normalise it over the future tenure. O&M Income has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards excluding sinking fund.

**Operating Cost Assumptions**

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Current O&M Expense	Per sq. ft. per month	INR 17.91
Property Tax	Per sq. ft./month	INR 1.21
Cost Escalation	% p.a.	5.0%
Maintenance Capex	Per sq. ft. per month	INR 2.3

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided by the Client for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **O&M Expense:** O&M Cost has been calculated basis markup of 20% on CAM income after deducting sinking fund and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Payroll Expense:** The Payroll expense for the period between 1<sup>st</sup> October 2024 – 31<sup>st</sup> March 2025 for Airtel Centre is considered to be INR 6.86 Million. The same has been converted to annual basis and escalated at 6.5% annually for subsequent years.



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value, indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/ low risk interest rates.

In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were pursued. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for the proposed public listing with better liquidity/ marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.ft)	Deal Size (INR Mn)	Capitalization Rate
Prestige Estates	CPPIB*	Koramangala	Bangalore	Prestige RMZ Star Tech	Commercial	2022	13,70,000	969	7.6% - 7.8%
Hines	DCCDL - GIC	Gurugram	Gurugram	One Horizon Centre	Commercial	2020	4,21,134	10,101	~8%
Embassy Sponsor Group	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	~8%
Tishman Speyer	Shapoorji Pallonji-Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra, BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

Note: The above information is based on information published in public domain and discussions with various market player





- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable REITs. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% was found to be aligned with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that the subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 12,431 Million	Indian Rupees Twelve Billion Four Hundred and Thirty-One Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 7,900 per sq. ft.
Land area	INR 1,32,000 per sq. yard.

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979

## **D ANNEXURES**



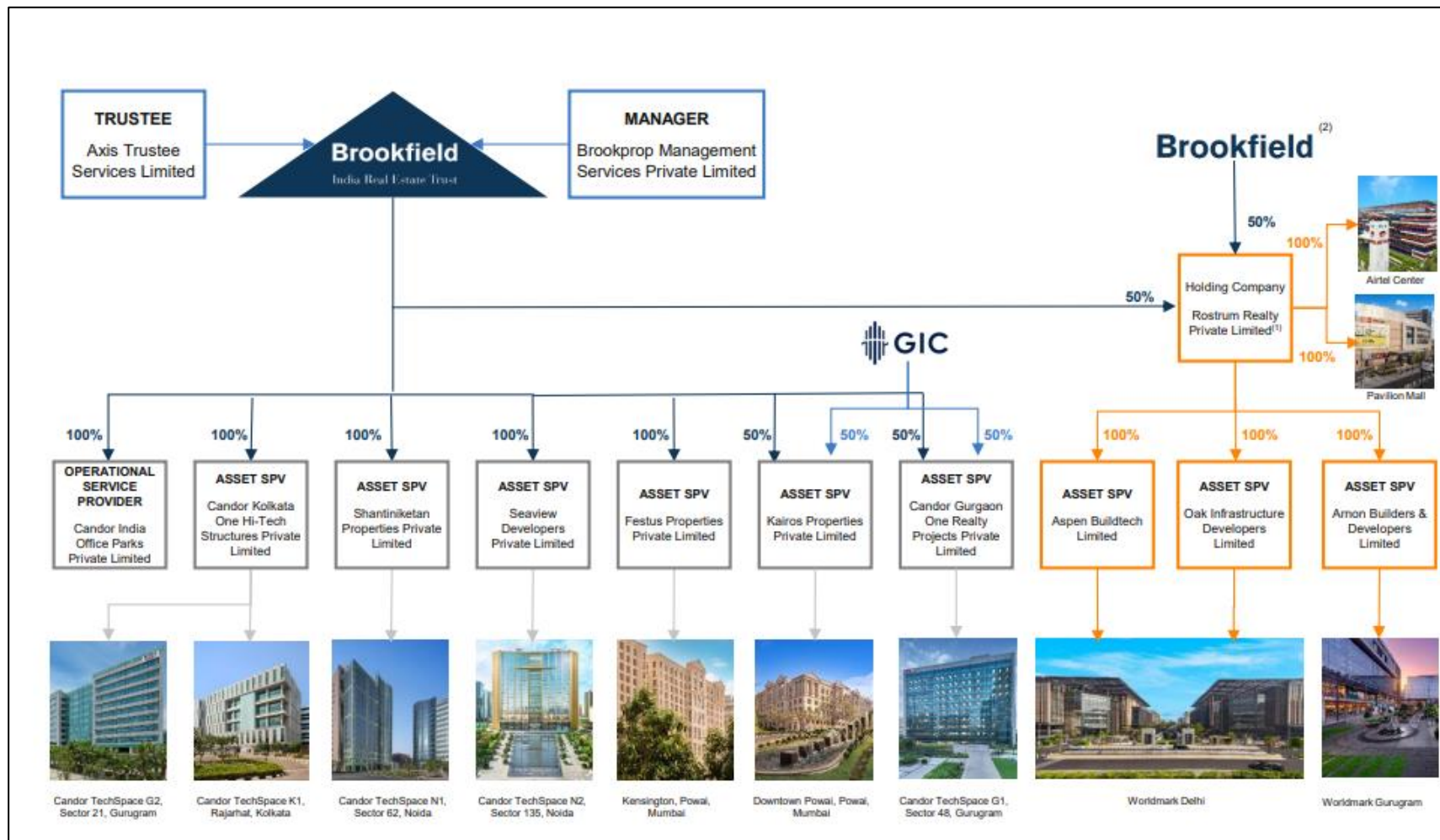
**Annexure 1: Cash Flows**

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29	01-Oct-30	01-Oct-31	01-Oct-32	01-Oct-33	01-Oct-34
		30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33	30-Sep-34	30-Sep-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals	INR Million	1,105	1,107	1,107	554	708	1,162	1,170	1,319	1,337	1,346	1,517
O&M Income	INR Million	206	206	206	114	218	253	265	277	289	302	316
Other Income (Telecom)	INR Million	11	12	13	7	1	1	1	1	1	2	2
<b>Total Income</b>	INR Million	1,322	1,324	1,325	674	928	1,417	1,436	1,597	1,627	1,649	1,834
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,322</b>	<b>1,324</b>	<b>1,325</b>	<b>674</b>	<b>928</b>	<b>1,417</b>	<b>1,436</b>	<b>1,597</b>	<b>1,627</b>	<b>1,649</b>	<b>1,834</b>
<b><u>OPERATING COSTS</u></b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(10)	(11)	(11)	(12)	(13)	(13)	(14)	(15)	(15)	(16)	(17)
CAM Expense	INR Million	(153)	(160)	(168)	(177)	(181)	(190)	(199)	(209)	(220)	(231)	(242)
Payroll Expense	INR Million	(14)	(15)	(16)	(17)	(18)	(19)	(21)	(22)	(23)	(25)	(27)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(177)</b>	<b>(186)</b>	<b>(196)</b>	<b>(206)</b>	<b>(212)</b>	<b>(222)</b>	<b>(234)</b>	<b>(246)</b>	<b>(259)</b>	<b>(272)</b>	<b>(286)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,145</b>	<b>1,138</b>	<b>1,129</b>	<b>468</b>	<b>716</b>	<b>1,194</b>	<b>1,202</b>	<b>1,351</b>	<b>1,369</b>	<b>1,378</b>	<b>1,549</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	19,357	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(194)	
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	<b>1,145</b>	<b>1,138</b>	<b>1,129</b>	<b>468</b>	<b>716</b>	<b>1,194</b>	<b>1,202</b>	<b>1,351</b>	<b>1,369</b>	<b>20,541</b>	
Maintenance Capex	INR Million	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(28)	(29)	(31)	
Brokerage Expenses	INR Million	-	-	-	(35)	(159)	-	-	-	-	-	
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,110</b>	<b>1,118</b>	<b>1,108</b>	<b>410</b>	<b>534</b>	<b>1,169</b>	<b>1,176</b>	<b>1,323</b>	<b>1,340</b>	<b>20,511</b>	

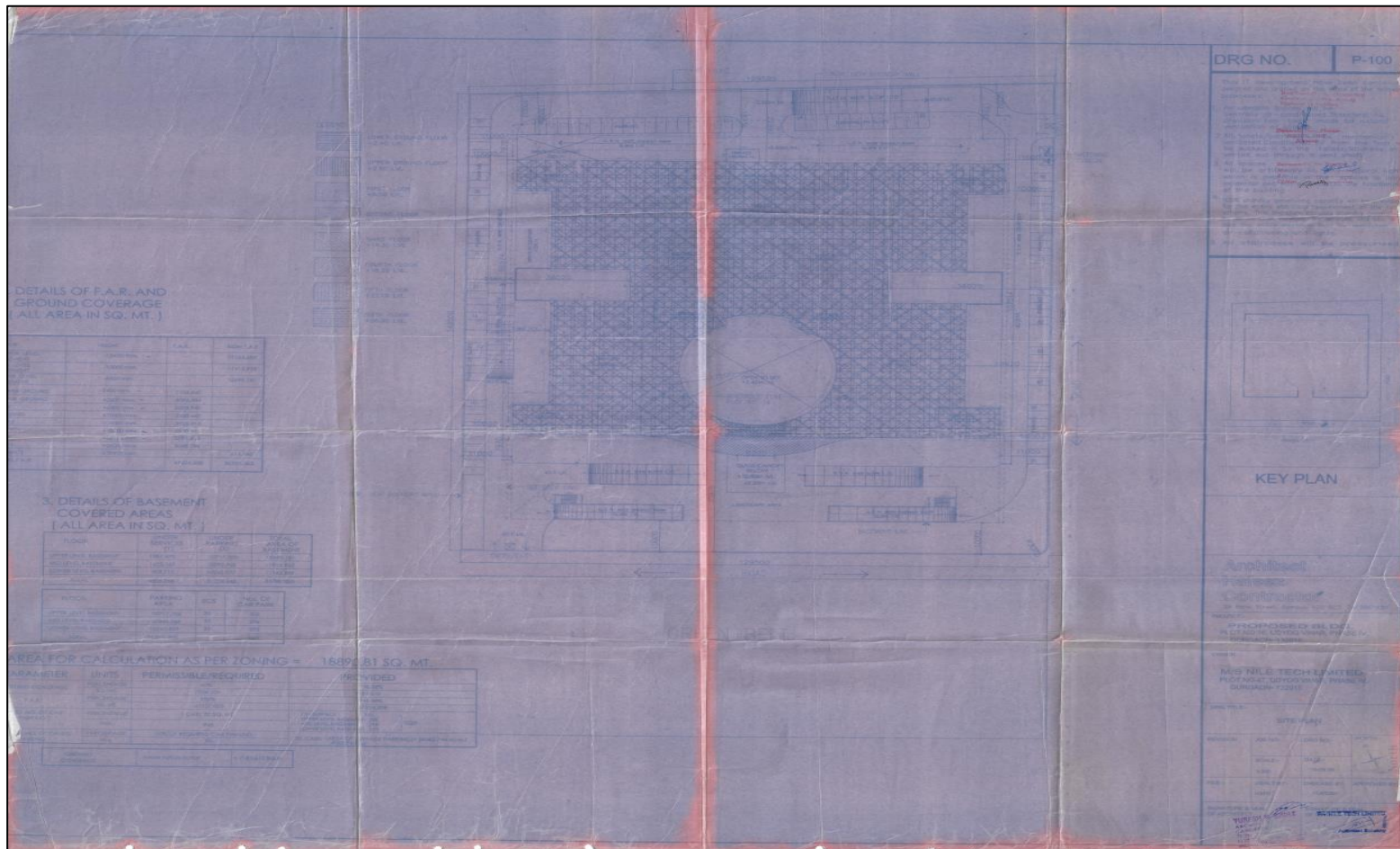


Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.

## Annexure 2: Ownership Structure



## Annexure 3: Site Layout



Source: As provided by Client



**Annexure 4: Subject Property Photographs**



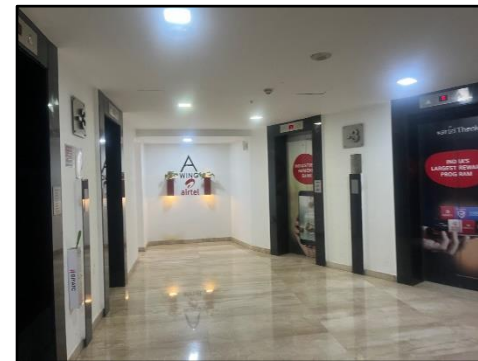
View of Subject Property



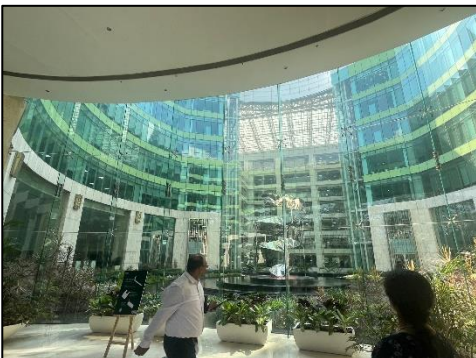
View of Subject Property



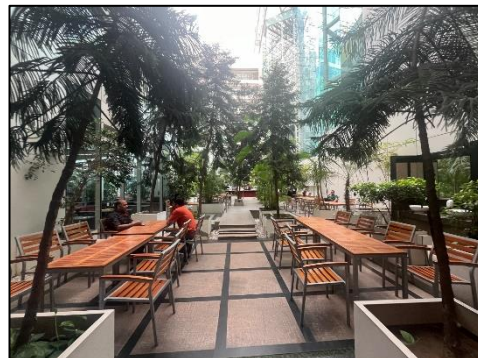
View of Subject Property



View of Subject Property



View of Subject Property



View of Subject Property



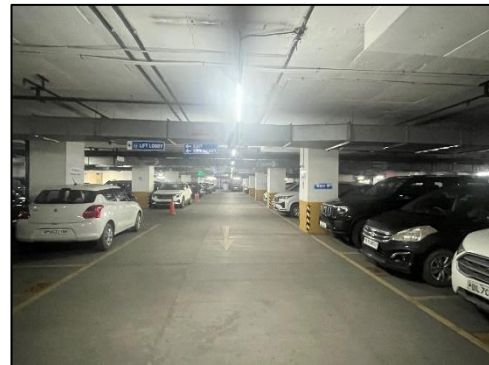
View of Cafeteria



View of LT Room



View of DG Room



View of Parking



**Annexure 5: Statement of Key Assets**

<i>Building</i>	<i>No/Name</i>	<i>Airtel Centre</i>
No. of DG Capacity	KVA	(4 X2000 KVA) (1X 750 KVA)
No. of Transformer/Capacity	KVA	(2X2500 KVA)
Chiller Rating	TR	(4*750 TR)
Cooling Tower		(3*900 TR)
FF Systems	KW/HP	Jockey 1*10 HP, 7.5 kw Main Sprinkler pump 74 HP, 55 Kw Main Hydrant pump 74 HP, 55 Kw Fire Diesel pump 91 HP 68 Kw
Water pumping System	KW/HP	Filter feed pump 2* 3.7 kw Softener feed pump 2* 2.2 kw Domestic water Transfer OH 2* 11kw Soft water transfer OH 2* 11kw Filter press pump 2* 0.37 kw Filter feed pump 2* 3 kw Circulation pump 2* 0.37 kw Irrigation transfer pump 2* 3 kw Soft water transfer OH 2* 11 kw
STP Rating	KLD	1* 200 KLD
Warmshell/Bareshell		Bareshell

*Source: As provided by Client*

**Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

**Approvals Received**

- a) Building Plan Approvals for building and amendment thereof
- b) Full Occupancy Certificate received for the building.
- c) Consent to Establish (CTE)
- d) Consent to Operate (CTO)
- e) Environment Clearance Certificate
- f) Renewal of Fire NOC
- g) Height clearance NOC from AAI
- h) Environmental Clearance

**Annexure 7: Ready Reckoner Rate for Built Up area and Land Area**

Rate list of Tehsil Gurugram Proposed Rates for the year 2023 w.e.f.....)													
Sr. No.	Huda Sectors	Rates for the Year of 2021-2022				Proposed Rates for the Year of 2022				Proposed Rates for the Year of 2023			
		Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial/ Sco/Scf (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial/ Sco/Scf (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)
1	Sec- 42, 43	50000	165000	10000	7000	55000	165000	10000	7000	66000	198000	12000	8400
2	Sec-14, 15, 16, 17, 40	45000	150000	9000	6600	50000	150000	9000	6600	65000	181500	11000	8000
3	Sec- 38,	40000	140000	8900	6300	45000	140000	8900	6300	54000	168000	11000	7500
4	Sec- 21,22, 22A, 23, 23A,	35000	140300	8600	6100	40000	140300	8600	6100	48000	168500	10500	7300
5	Sector 1, 2, 3, 3A, 4, 5, 6, 7, 12, 12A, 13	35000	135000	9000	6600	40000	135000	9000	6600	48000	162500	11000	7900
6	Sec-18, 19, 20,	NA	110000	9000	6600	NA	110000	9000	6600	NA	132000	11000	7900
7	Sec-25	NA	88000	9000	6600	NA	88000	9000	6600	NA	106000	11000	7900
8	Sector 104, 105, 106, 109, 110, 110A, 111, 112, 113, 114, 115	30000	100000	4500	3000	36000	100000	4500	3000	44000	120000	5400	3600

Joint Sub-Registrar  
Gurugram

Sub Registrar  
Gurugram

SDO (C)  
Gurugram

BRO  
Gurugram

Deputy Commissioner-cum-  
Registrar, Gurugram

### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by Client, following major repairs/ upgrades have been taken up in the past:

1. Upgrades: None
2. List of ESG initiatives
  - LEED Gold
  - LEED Zero Water
  - Blood Donation Camp
  - CO sensor in basement parking area
  - Lux level increased in basements without additional electricity consumption.

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India REIT** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited



information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



# VALUATION REPORT

**Pavilion Mall, Civil Lines, Ludhiana, Punjab**

Date of Valuation: 30<sup>th</sup> September 2024

Date of Report: 6<sup>th</sup> November 2024

**Submitted to: Brookfield India Real Estate Trust**





## Disclaimer

*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT and does not carry any right of publication or disclosure to any other party. Brookfield India REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date ("SEBI REIT Regulations"). The Company may share the report with its appointed advisors for any statutory or reporting requirements. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the addendum dated 28<sup>th</sup> August 2024 to Letter of Engagement ("LOE") dated 23<sup>rd</sup> December 2022 & addendum to LOE dated 22<sup>nd</sup> September 2023 without the prior written consent of the Valuer.*





*The information in this report reflects prevailing conditions and the view of Valuer as of this date, all of which are, accordingly, subject to change. In preparation of this report, the accuracy and completeness of information shared by the REIT has been relied upon and assumed, without independent verification, while applying reasonable professional judgment by the Valuer.*

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 23<sup>rd</sup> December 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

*This report should not be deemed an indication of the state of affairs of the real estate financing industry nor shall it constitute an indication that there has been no change in the business or state of affairs of the industry since the date of preparation of this document.*



## Executive Summary

<b>Pavilion Mall, Civil Lines, Ludhiana, Punjab</b>		
<b>Valuation Date:</b>	30 <sup>th</sup> September 2024	
<b>Site Visit Date:</b>	23 <sup>rd</sup> April 2024 (subsequently no site visits have been conducted)	
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014.	 <p>External view of the Subject Property</p>
<b>Location / Situation:</b>	<p>Pavilion Mall (hereinafter referred to as “Subject Property”) is an operational retail mall, located in Civil Lines, Ludhiana, Punjab (herein after referred to as “Subject Micro Market”),</p> <p>Civil Lines is an established cluster of Ludhiana. The Subject Micro Market is a prime location renowned for its array of dining and shopping options. The Subject Micro Market holds historical significance as it was initially established during the British colonial era. It was designated as the area where civil servants and government officials resided, hence named as "Civil Lines."</p> <p>The Subject Property is constructed on a corner triangular plot and is accessible towards north from Hambran road (24m wide) (which is one of the main arterial roads of Ludhiana) and towards east from Kailash Cinema Road (24m wide). This strategic location provides seamless connectivity between the Subject Property and the rest of the city.</p> <p>The Subject Property is primarily surrounded with commercial and residential developments. Other developments located in vicinity of Subject Property are Guru Nanak Stadium &amp; Dayanand Medical College.</p>	 <p>Internal view of the Subject Property</p>  <p>Food Court</p>  <p>Multiplex</p>

Description:	<p>Pavilion Mall is a single standalone building constituting 9 floors and 3 basements (being primarily used for parking). The Subject Property got operational in year 2014.</p> <p>The leasable area of the Subject Property is 389,588 sq. ft. and its committed occupancy is 87.6% *. The Subject Property is a prominent shopping and entertainment destination offering a mix of national, international, and local brands at one place.</p> <p>The Subject Property is a prominent shopping and entertainment destination located in established cluster Civil Lines in Ludhiana. It has Ludhiana’s first 7-screen multiplex PVR, Ludhiana’s largest kids play area, a 450-seater food court, a night club, and a gym. It also has a 27-room hotel running on the 6<sup>th</sup> floor. Pavilion is the first mall in India to be conferred with Gold LEED pre-certification.</p> <p>The following table illustrates the floor-wise zoning of the Subject Property:</p>																										
	<table><tr><th>Floor</th><th>Usage</th></tr><tr><td>Basement 1,2 and 3</td><td>Utility areas and Stacked Parking</td></tr><tr><td>Lower Ground/Atrium Floor</td><td>Women’s Fashion</td></tr><tr><td>Upper Ground/Ground Floor</td><td>Premium and Luxury Brands</td></tr><tr><td>First Floor</td><td>Men’s Fashion</td></tr><tr><td>Second Floor</td><td>Kids and Lifestyle</td></tr><tr><td>Third Floor</td><td>PVR and Food court</td></tr><tr><td>Fourth Floor</td><td>Entertainment and F&amp;B</td></tr><tr><td>Fifth Floor</td><td>Entertainment (Smaash)</td></tr><tr><td>Sixth Floor</td><td>Hotel (The Stories)</td></tr><tr><td>Seventh Floor</td><td>Fitness Centre (SS Royale Gym)</td></tr><tr><td>Eight Floor</td><td>Fox in the Field (Microbrewery)</td></tr><tr><td>Ninth Floor</td><td>Night Club (Tokyo Eye)</td></tr></table>	Floor	Usage	Basement 1,2 and 3	Utility areas and Stacked Parking	Lower Ground/Atrium Floor	Women’s Fashion	Upper Ground/Ground Floor	Premium and Luxury Brands	First Floor	Men’s Fashion	Second Floor	Kids and Lifestyle	Third Floor	PVR and Food court	Fourth Floor	Entertainment and F&B	Fifth Floor	Entertainment (Smaash)	Sixth Floor	Hotel (The Stories)	Seventh Floor	Fitness Centre (SS Royale Gym)	Eight Floor	Fox in the Field (Microbrewery)	Ninth Floor	Night Club (Tokyo Eye)
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Ninth Floor	Night Club (Tokyo Eye)																										
<p>The mall offers a dedicated lift for floors above the fifth level to efficiently cater to visitors accessing the hotel, nightclub, and gym. Additionally, another set of lifts provides access to other areas within the mall.</p>																											
Total Area:	<p>Total Land Area: ~2.47 Acres</p> <p>Total Leasable Area: 389,588 sq. ft.</p>																										

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.

\*Committed occupancy

**MARKET VALUE OF THE SUBJECT PROPERTY BASED ON**

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30th September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 2,903 Million	Indian Rupees Two Billion Nine Hundred and Three Million Only

This summary is strictly confidential to the addressee. It must not be copied, distributed, or considered in isolation from the full report.

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**From: L. Anuradha, MRICS**  
IBBI Registered Valuer (L&B)  
(IBBI/RV/02/2022/14979)

**To:** Brookfield India Real Estate Trust

**Subject Property:** Pavilion Mall, Civil Lines, Ludhiana, Punjab

**Report Date:** 6<sup>th</sup> November 2024

**Valuation Date:** 30<sup>th</sup> September 2024

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”),** has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred to as the “Valuer”), in order to undertake the valuation of retail mall located in Ludhiana (hereinafter referred to as “Subject Property” and/or “Pavilion Mall”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The Subject Property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

### **2 Professional Competency of The Valuer**

Ms. L. Anuradha Vijay is registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset classes of Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since September 2022. She completed her Bachelor’s in Architecture in 2002 and Master’s in Planning from School of Planning & Architecture in 2004.

L. Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation, and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala, and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouseCoopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the

State Governments in India. Her foundation in real estate valuation was at Jones Lang LaSalle where she worked for 3 years on multiple valuations and entry strategies for Indian NBFCs and funds.

Her last employment was at C&WI. As an Associate Director of the Valuation and Advisory team at C&WI, Ms. L. Anuradha provided support on identified business/ new opportunities, evaluated proposals for new property investments and/ or dispositions while providing analytical support for Investment recommendations. L. Anuradha was also key personnel in carrying out the Market study for the Mindspace REIT Micro Markets in India. She has undertaken valuations exercises for multiple private equity/ real estate funds, financial institutions, developers, and corporates across asset classes of commercial, retail, residential and hospitality. Her clientele included HDFC, Xander, DLF, RMZ, Embassy Group, CapitaLand, Tata Capital, Tata Realty, TVS group etc.

### **3 Independence and Conflicts of Interest**

The Valuer confirms that there are no conflicts of interest so far as discharging her duties as a valuer for the Subject Property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report.

The Valuer or any of her employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time she is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

### **4 Purpose of Valuation**

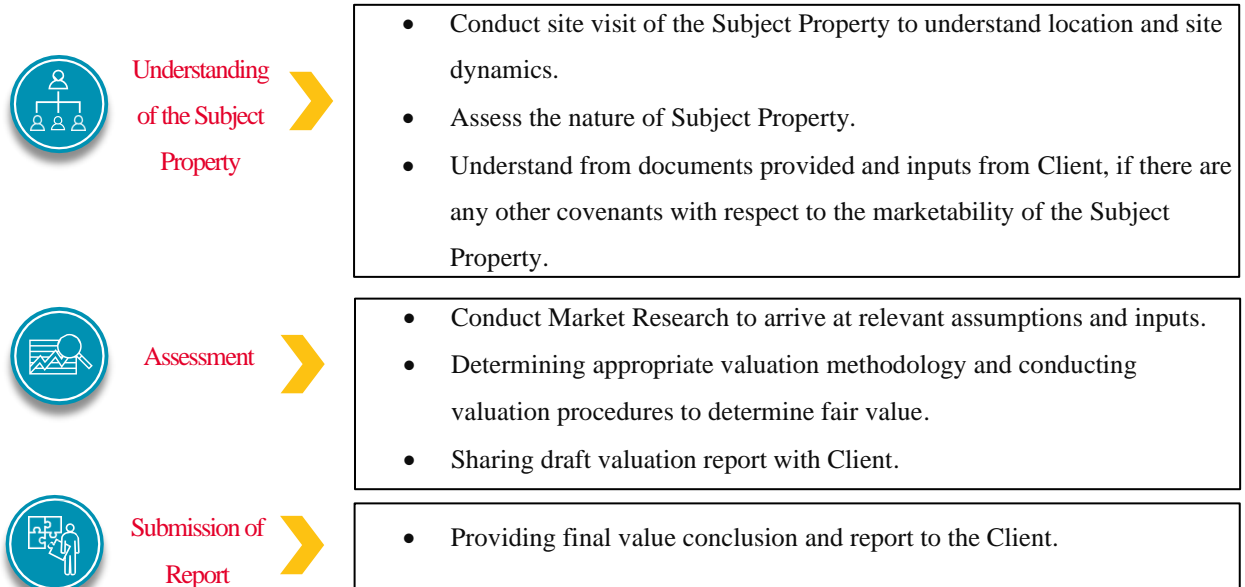
The purpose of this valuation is for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40).

### **5 Basis of Valuation**

Given the purpose of valuation as mentioned above, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

“Market Value” is defined as *‘The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.’*

## 6 Valuation Approach & Methodology



The basis of valuation for the Subject Property being Market Value, the same has been derived by the following approach:

### Discounted Cash Flow Method using Rental Reversion

The market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase attractiveness of the Subject Property to prospective tenants, typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rentals for certain properties as well (primarily owing to market conditions at the time of contracting the lease). In order to arrive at a unit value for these tenancies, we have considered the impact of such sub/ above market leases on the valuation of the Subject Property.

***For the purpose of valuation of the Subject Property, Income Approach - Discounted Cash Flow Method using Rental Reversion has been adopted.***

## 7 Assumptions, Departures and Reservations

This valuation report has been prepared on the basis of the assumptions within the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the Subject Property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

## 8 Inspection

The Subject Property was inspected on 23<sup>rd</sup> April 2024 by the Valuer (Subsequently no site visits have been conducted). No measurement or building survey has been carried out as part of the valuation exercise. The



Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the Client it has been assumed that no material change in the condition of the Subject Property has taken place.

## **9 General Comment**

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Subject Property values can change substantially, even over short periods of time, and thus the valuation of the Subject Property herein could differ significantly if the date of valuation was to change.

This report should not be relied upon for any purpose other than for which this valuation exercise has been undertaken for.

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents except as maybe required in connection with disclosure of valuation of assets, forming part of the portfolio of Brookfield India REIT under the applicable law.

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications, guidelines and notifications thereunder by SEBI and also disclosure as per fair value accounting under Indian Accounting Standards (Ind AS 40) and disclosure in the Documents and in the valuation report, as may be required.

The Valuer consents to the usage of her name as an expert, in relation to the Report, in the Documents. If the Client desires to use the Deliverables or the Valuer's name in any other offering other than the Documents as contemplated under the LOE, then the Client shall obtain the Valuer's prior written approval for such usage. The Client shall indemnify the Valuer for any losses suffered by him due to such usage other than for the purpose as contemplated under the LOE. Additionally, the Client herewith consents to provide or cause to be provided, an indemnification agreement in her favor, reasonably satisfactory to him for any use of the Report other than for the purpose permitted under the LOE. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

The reliance on the valuation reports prepared as part of this engagement is extended to **Brookprop Management Services Private Limited ("Brookprop" or "The Manager")**, the **Brookfield India Real Estate Trust ("Brookfield REIT")** and their unit holders and Axis Trustee Services Limited, the trustee to the **Brookfield REIT ("Trustee")** for the purpose as highlighted in this report (valuation). The auditors, debenture trustees, stock exchanges, unit holders of the REIT, **Securities and Exchange Board of India (SEBI)**, and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

## 13 Limitation of Liability

The Valuer shall endeavor to provide services to the best of its ability and professional standards and in bonafide good faith. Subject to the terms and conditions in the LOE, the Valuer's total aggregate liability to the Client arising in connection with the performance or contemplated performance of the services herein, regardless of cause and/or theory of recovery, shall not exceed the fee paid to the Valuer for the engagement.

The Valuer acknowledges that it shall consent to be named as an 'expert' in the Offer Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Manager, the sponsors, the trustee, the REIT or other intermediaries appointed in connection with disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and she shall not object to her inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by her while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against her in this regard.

## 14 Disclosure and Publication

The Valuer must not disclose the contents of this valuation report to a third party in any way, except as allowed under the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars. As per the terms and regulation 2(1) of the Securities Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

## **15 Anti-Bribery & Anti-Corruption**

Both Parties represents, warrants, and undertakes that:

They are familiar with applicable Anti-Corruption Laws under the LOE including but not limited to Prevention of Corruption Act 1988 and will ensure that neither it nor any of its officers, directors, shareholders, employees and agents or any other person acting under its implied or express authority will engage in any activity, practice or conduct which would constitute an offence under, or expose or potentially expose either Party to any direct or indirect liability, under Applicable Anti-Corruption Laws;

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate the LOE without any liability or obligation on her part.

Such termination of the LOE shall not in any way prejudice the rights and obligations (including payment for the services delivered under the LOE) already accrued to the Valuer, prior to such termination.

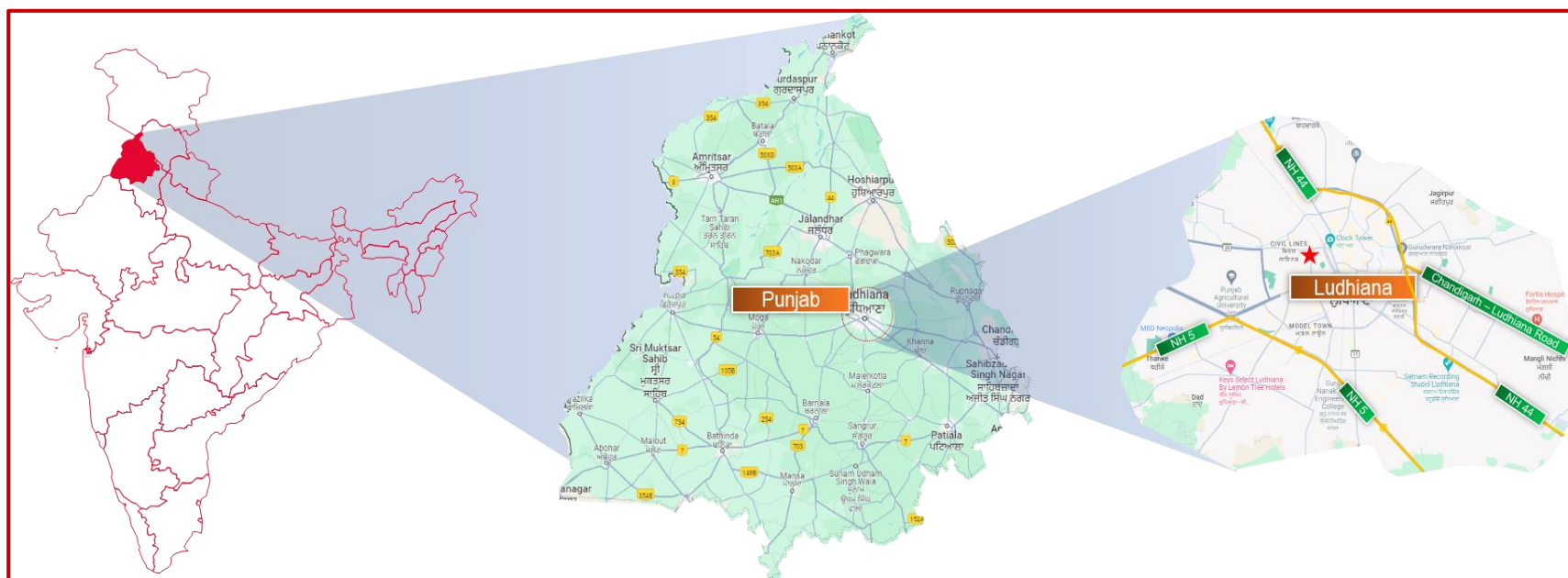
## **B LUDHIANA OVERVIEW**



For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry Industry Report.

## 1 Ludhiana Overview

Ludhiana, the first metropolitan centre of the state of Punjab, is located 100 kms from Chandigarh, the capital of Punjab and Haryana, 310 kms from New Delhi and 150 kms from Amritsar. It has emerged as one of the important business centres of Punjab. Ludhiana, the economic capital of the state of Punjab, is a major centre for trade and commerce in North India.



Source: Cushman and Wakefield Research

(Map not to scale)

It is renowned for its thriving textile industry, especially hosiery manufacturing. The city also boasts a significant presence in industries such as bicycle manufacturing, auto parts, agriculture, and machine tools.

The geographical boundary of Ludhiana is given in the map below:



Source: Cushman and Wakefield Research  
(Map not to scale)

It is the largest city in Punjab in terms of both area and population. It had a population of 3.49 million in as per census 2011, spreading over an area of approximately 3,767 sq. km. The following table briefly presents the population estimates and demographic profile of Ludhiana.

Particulars	Details
<b>Population</b>	3.49 Million
<b>Average Literacy Rate</b>	82.2%
<b>Sex Ratio</b>	873 females for every 1000 males
<b>Population Density</b>	978 / sq. km.
<b>Area (sq. km.)</b>	3,767

(Source: <https://ludhiana.nic.in>)

Ludhiana is also known for some of its educational and research institutions. The major institutions located in Ludhiana are Punjab Agricultural University, College of Agriculture, College of Agricultural Engineering and Technology, College of Home Science and College of Basic Sciences & Humanities. Some of the other popular educational institutions in Ludhiana are Dayanand Medical College, Christian Medical College, and Baba Jaswant Singh Dental College. Ludhiana also has a sound primary, secondary, and senior secondary education system with notable government and private schools imparting quality education.

## 1.1 Evolution of Ludhiana

Ludhiana, located in the Indian state of Punjab, has undergone significant evolution over the years, transforming from a small town to a major industrial and commercial hub. Here's a brief overview of its evolution:



Ludhiana, a major industrial city in the Indian state of Punjab, has undergone significant evolution over the years. The history of Ludhiana dates to the time of the Lodhi Dynasty, from which the city derives its name. But it wasn't until the British Raj that Ludhiana began to develop as a town, with significant improvements in infrastructure. Following is a brief overview of the various periods of evolution of Ludhiana:

### Early History

Ludhiana has a rich history dating back to the Lodhi dynasty, from which it gets its name. The name was originally Lodhi-ana", meaning "Lodhi town", which has since shifted from "Lodiana" to the present form of Ludhiana. It was a prominent centre of trade and commerce during the Mughal era due to its strategic location on the Grand Trunk Road.

### Colonial Period

The arrival of the British in India brought significant changes to Ludhiana. The British recognized its potential as a commercial and administrative hub and invested in infrastructure development, including the construction of roads, railways, and canals. The city became an important hub for British colonial administration and trade, especially in textiles. This facilitated trade and commerce, laying the groundwork for Ludhiana's future growth as an industrial city.

### Industrialisation

Beginning in the late 19th century, Ludhiana's strategic location, access to raw materials, and skilled labour pool laid the foundation for its growth. The textile industry played a pivotal role in Ludhiana's industrialization. With the advent of British rule and the establishment of modern textile mills, Ludhiana became a major producer of cotton textiles. The city's cotton mills flourished, benefiting from the availability of raw cotton from Punjab's fertile lands and the demand for textiles both locally and in other parts of India. The post-independence period saw diversification in industries, including bicycle manufacturing, auto parts, hosiery, and agricultural implements.



## Diversification

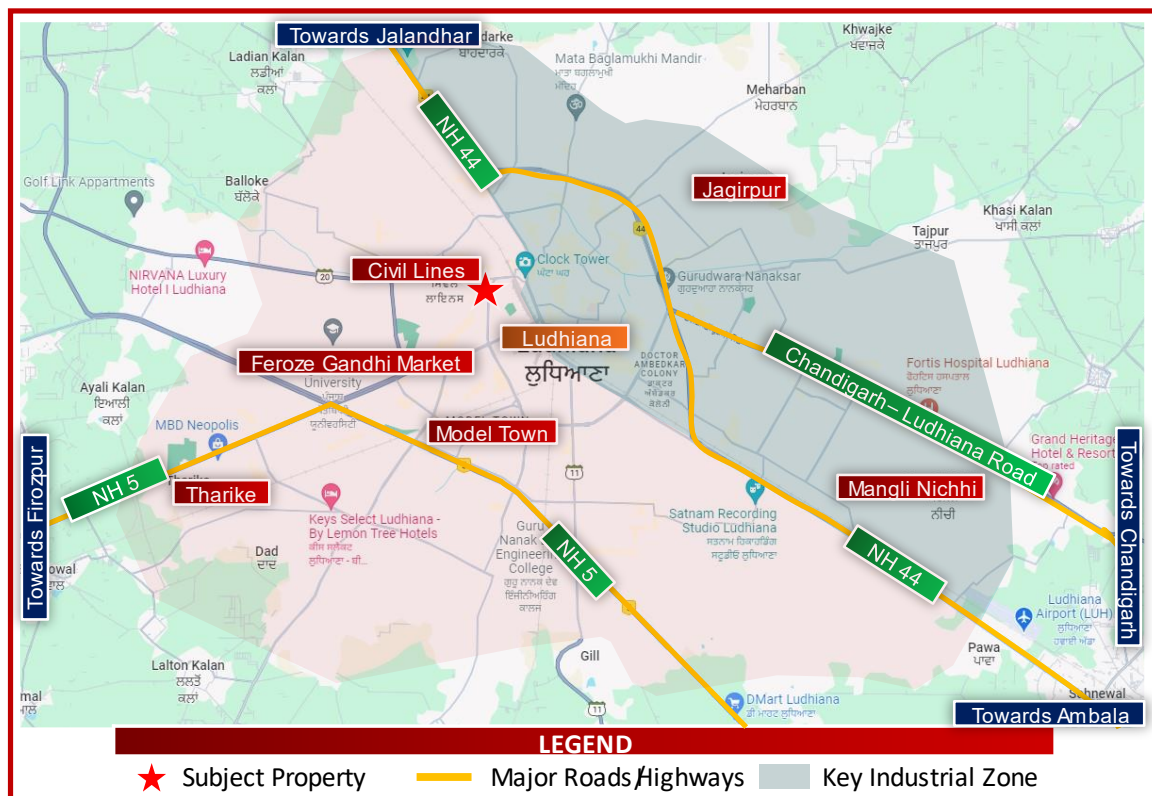
While textiles remained a dominant industry, Ludhiana diversified its industrial base over time. One significant area of diversification was the emergence of bicycle manufacturing with numerous factories producing bicycles and bicycle parts for both domestic and international markets. Additionally, Ludhiana is known for its thriving hosiery industry, manufacturing a wide range of knitwear and garments. The city has also seen growth in industries such as auto parts manufacturing, agricultural machinery, and light engineering. This diversification has not only expanded Ludhiana's economic base but has also created employment opportunities and contributed to the city's overall development.

## Urbanisation

Ludhiana experienced rapid urbanization as rural migrants flocked to the city in search of livelihoods. This led to the expansion of residential areas, commercial zones, and industrial estates.

### 1.2 Economy Overview – Industries of Ludhiana

Ludhiana is commonly known as the "Manchester of India", the "hub of the Indian Hosiery Industry" and also as Industrial Capital of small-scale Industry in the country. The city is famous for its hosiery goods, woollen garments, and leather items. Machine tools, dyes, cycle parts, mopeds, sewing machines and motor parts are also included in the list of the items exported from Ludhiana. Following is a brief overview of the major industries in Ludhiana:



Source: Cushman and Wakefield Research

(Map not to scale)



**Textile and garment industry** - Ludhiana has a thriving textile and garment industry. The city is renowned for its robust manufacturing units that produce a vast array of textiles and garments. From traditional Punjabi attire to high-end fashion, Ludhiana's textile industry caters to both domestic and international markets.

**Key Points – i) Specialized Clusters:** Ludhiana houses specialized clusters of textile units, fostering collaboration and efficiency in production.

**ii) Global Export Hub:** The city's textile industry has positioned itself as a global export hub, contributing significantly to India's textile exports.

**Automobile Manufacturing** - Ludhiana has emerged as a prominent player in the automobile manufacturing sector, making noteworthy contributions to India's automotive landscape. The city is home to a myriad of automobile units, ranging from ancillary parts to complete vehicle manufacturing.

**Key Points – i) Diverse Product Range:** Ludhiana's automobile industry spans the production of diverse components, including auto parts, two-wheelers, and commercial vehicles.

**ii) Technological Advancements:** The city's manufacturers continually invest in cutting-edge technologies, ensuring they stay at the forefront of the rapidly evolving automotive industry.

**Machinery and Equipment Production** – Ludhiana has a robust machinery and equipment production sector. The city hosts an extensive network of manufacturing units producing a wide range of machinery for various industries.

**Key Points – i) Precision Engineering:** Ludhiana's machinery industry is synonymous with precision engineering, catering to the needs of diverse sectors such as agriculture, construction, and more.

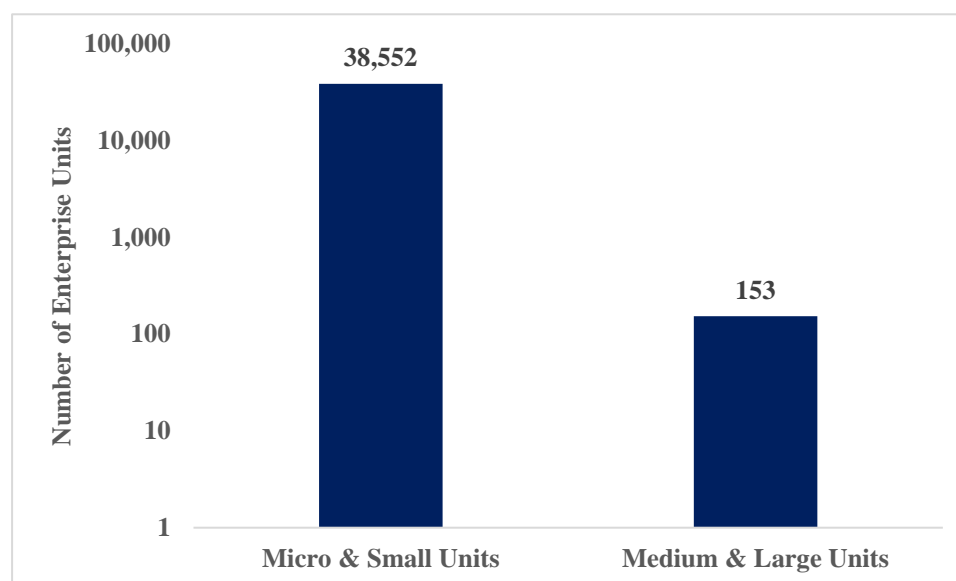
**ii) Innovation Hub:** The city fosters innovation in machinery production, with research and development playing a pivotal role in shaping the industry's future.

**Agriculture Implements and Tools** – Ludhiana's significance extends to the agricultural sector, with a notable focus on the production of high-quality implements and tools. The city's manufacturers supply a plethora of agricultural equipment to meet the evolving needs of farmers

**Key Points – i) Customized Solutions:** Ludhiana's manufacturers offer customized agricultural implements, that address the specific requirements of farmers across the country.

**ii) Sustainable Practices:** The industry is increasingly adopting sustainable practices, aligning with Ludhiana's commitment to environmental responsibility.

Small businesses in Ludhiana are major contributors to employment generation, providing livelihoods to a significant portion of the local population. These businesses offer job opportunities to a diverse range of individuals, including skilled and unskilled workers, thereby reducing unemployment rates and poverty levels in the city. Following is the breakup of registered enterprises basis their size:



The World Bank ranked Ludhiana as the city in India with the best business environment in 2009 and 2013. The riches are brought mostly by small-scale industrial units. Ludhiana is Asia's largest hub for bicycle manufacturing and produces more than 50% of India's bicycle production each year. Ludhiana produces 60% of India's tractor parts and a large portion of auto and two-wheeler parts. Many parts used in German cars such as Mercedes and BMW are exclusively produced in Ludhiana to satisfy the world requirement. It is one of the largest manufacturers of domestic sewing machines. Hand tools and industrial equipment are other specialties. Ludhiana contribute most to Punjab than any other city.

The apparel industry of Ludhiana, popularly known as Ludhiana hosiery industry provides employment to numerous people and produces India's largest share of winter clothing. It is especially known for its woollen sweaters and cotton T-shirts with the majority of India's woollen clothing brands being based here. Ludhiana is also famous for its industry of shawls and stoles and satisfies the demand of major domestic and international brands. As a result of its dominance in the textile industry it is often dubbed as the Manchester of India. Ludhiana is now sourcing production to major corporate brands all over India. Cloths manufactured here sell in big brand showrooms.

### 1.3 Ludhiana – Infrastructure overview

Ludhiana city is well connected through rail and road network with major cities like Chandigarh, Jalandhar, Amritsar, and other cities of the Punjab. NH 44 - Grand Trunk Road passes through the city and connects it to the country's capital New Delhi and NH 95 connects the city to state's capital Chandigarh. The road distance of Ludhiana from major cities are:

City	Distance (kms)
Jalandhar	60
Moga	67
Patiala	96
Chandigarh	102
Ambala	122
Ferozepur	122
Amritsar	139
Bathinda	140
Delhi	322

In terms of rail connectivity Ludhiana currently has one railway station named as “Ludhiana Junction” which provides direct connectivity to cities like Amritsar, Ambala, New Delhi, and other cities across India. Air connectivity it is primarily dependent upon Chandigarh Airport as Ludhiana International airport has been inaugurated recently and is handling very limited flights and passenger traffic.

The Map below indicates major infrastructure nodes of Ludhiana city:



Source: Cushman and Wakefield Research

(Map not to scale)

Further, few of the infrastructure initiatives, in past and in current date which have been undertaken to improve the connectivity are highlighted in the table below:

Particulars	Status	Details
Smart City	Under Progress	<p>Ludhiana was among 100 cities in the country and three in Punjab, which was selected under the SCM to be developed as a smart city in the first round of the selection by the MoHUA in 2015.</p> <p>Ludhiana is emerging as the best smart city in the state by ranking first in the state and 53rd among 100 cities being developed as smart in the country, the government has confirmed. The rankings were decided on the basis of various parameters, mainly depending on the progress of the works under the SCM, by taking into consideration details of projects completed, in progress, under tendering and still under planning, besides analysing the expenditure aspect as well.</p>
Budha Nallah – Canal Road widening	Under Construction	<p>Budha Nallah – Canal Road has remained a busy route where heavy traffic passes through the bridges over Budha Nallah and Canal, which are presently unstructured. Presently, the project is under-construction. Its foundation stone was laid near Haibowal bridge in January 2024</p>
Widening of National Highways	Under Construction	<p>The widening of NH 44 into a 6-lane highway is under process on both sides. Ferozepur Road is also expected to become a 6-lane highway by 2025, for which the work is underway.</p>
Delhi-Amritsar-Katra Expressway	Under Construction	<p>This 669 km greenfield expressway Delhi-Amritsar-Katra is being built at a cost of Rs 40,000 crore. The expressway will connect Ludhiana through Ferozpur road. This will benefit significantly in reducing travel time between Ludhiana and key business districts.</p>
Ludhiana International Airport	Completed	<p>Flights from the Ludhiana Sahnewal Airport commenced on 6th September 2023 as the chief minister flagged off the first flight to Hindon Airport in Delhi. This Airport is proposed to have direct flights to Delhi, Bengaluru, Kolkata, and Goa. Currently, very few flights are being operated from this airport.</p>
Redevelopment of Ludhiana Railway Station	Under Progress	<p>Ludhiana Railway station went into redevelopment last year. The entire railway station is to be revamped in a phased manner. The project, which was awarded at engineering, procurement, and construction (EPC) mode, has been targeted to be completed by August 2, 2025.</p>

Particulars	Status	Details
Ludhiana Metro	Proposed – Feasibility checks in progress	<p>The metro in Ludhiana will be of total 29 kms, out of which 22 kms will be elevated and 7 kms will be underground. The two proposed corridors are:</p> <p>Corridor I: Ayali Chowk – BBMB Powerhouse, the line will run from East to West following a distance of 16 kms and will have 14 stations – 10 elevated and 4 underground.</p> <p>Corridor II: Gill Village – Rahon Road Chungi, the line will run from North to South covering a distance of 13 kms and will have 13 stations – 6 elevated and 7 underground.</p>

#### 1.4 Ludhiana – Migration and Tourism

While Ludhiana is primarily known as an industrial and commercial hub, it also offers several attractions and experiences for tourists. Migration is a significant aspect of Ludhiana's demographic and socio-economic landscape, contributing to the city's growth and diversity.

- **Migration –**
  - **Industrial Magnet:** Ludhiana's status as an industrial hub has attracted migrants from various parts of Punjab, as well as neighbouring states such as Uttar Pradesh, Bihar, and Rajasthan. The city's thriving manufacturing sector, particularly in textiles, bicycles, and auto parts, offers employment opportunities for both skilled and unskilled laborers.
  - **Rural to Urban Migration:** Ludhiana has witnessed significant rural-to-urban migration, with people moving from rural areas to the city in search of better livelihoods and economic opportunities. This migration pattern is driven by factors such as mechanization of agriculture, land fragmentation, and aspirations for urban lifestyles.
  - **Seasonal Migration:** Ludhiana also experiences seasonal migration, particularly in the agricultural sector. During peak farming seasons, migrant workers from other parts of Punjab and neighbouring states come to Ludhiana's rural areas to work in fields and farms, contributing to agricultural activities.
  - **Informal Sector Employment:** Many migrants in Ludhiana are employed in the informal sector, including small-scale industries, construction, transportation, and services. These jobs often provide daily wages or piece-rate earnings, attracting migrants seeking temporary or informal employment opportunities.
  - **Academic Migration:** Ludhiana is home to several colleges and universities offering undergraduate and postgraduate programs in various disciplines. Punjab Agricultural University (PAU) is a prominent institution known for its agricultural research and

education. Additionally, Guru Nanak Dev Engineering College, Punjab College of Technical Education, and Guru Nanak Khalsa College are among the top colleges in Ludhiana.

- **Tourism** - In the post-independence era, Ludhiana emerged as the industrial capital of Punjab, which overshadowed its potential as a tourist location. However, over the past few years, there has been a shift, with the state government and local bodies emphasizing the development of tourism. Efforts have been made to promote the city's unique festivals, cuisine, and rural sports, such as Kila Raipur Sports Festival, widely known as the Rural Olympics.

Religious sites, like Gurudwara Charan Kamal and Alamgir Sahib Gurudwara, have been important to the tourism of Ludhiana. Significant investments have been made in these sites, which attract thousands of pilgrims every year. Furthermore, the city's cultural dynamics, exemplified by its Punjabi folk music and dance, have been instrumental in drawing cultural enthusiasts.

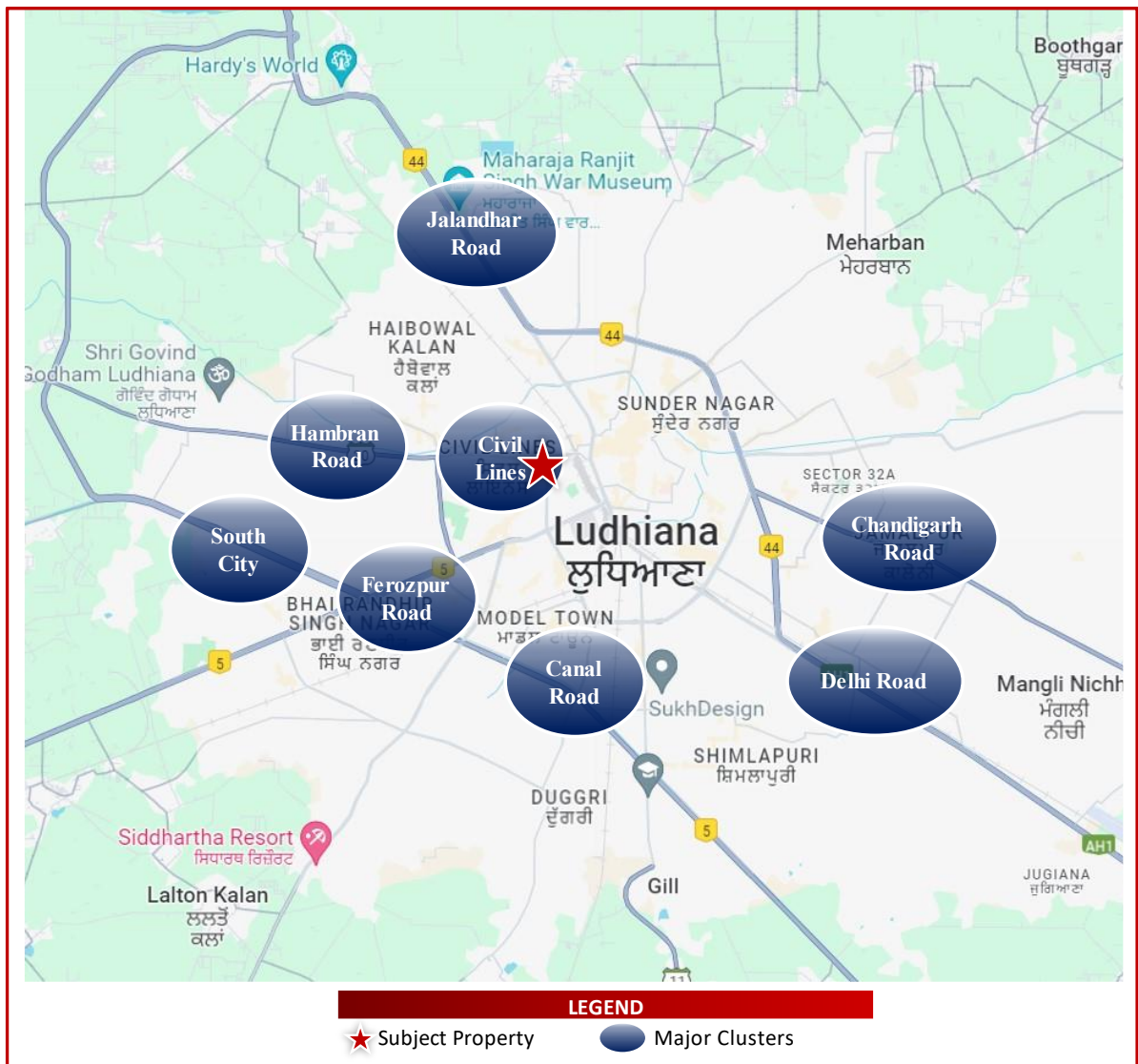
The latest trend in Ludhiana's tourism is the amalgamation of cultural experiences with modern leisure activities. The city has seen a rise in boutique hotels, malls, and eateries that provide a contemporary twist to the traditional Punjabi experience. Additionally, there is a growing trend of agro tourism where visitors indulge in the rural way of life, enjoying farm stays and organic farming experiences.

Looking forward, Ludhiana is set to grow as a multi-faceted destination. The government's 'Punjab Tourism for Economic Growth' project aims to highlight the state's heritage and history, which includes Ludhiana's contributions. With an increase in the number of events like literary festivals, food expos, and cultural showcases, the city is poised to offer a well-rounded experience to tourists.



## 1.5 Ludhiana – Real Estate Overview

Ludhiana, being a large city in Punjab, India, has numerous residential areas catering to various demographics and preferences. The map below illustrates Ludhiana's primary residential clusters along with its categorization based on demographic attributes and select prominent retail malls. The Subject Property is centrally located and is accessible through all prime residential clusters of the city.



Source: Cushman and Wakefield Research

(Map not to scale)



The details of various clusters in Ludhiana are described in the given in the table below:

Cluster	Nature of the cluster	Primary activity	Developer Activity
<b>Civil Lines Road</b>	Established Residential	Comprises of Unorganized Plotted Housing Development and traditional markets	Presence of retail development by Bharti Realty - Pavilion, Omaxe Plaza, etc.
<b>Ferozepur Road</b>	Established Commercial	Proximity to prominent commercial and residential areas in the city with prominent malls and hotels located along this road. One of the most established areas in the city	Presence of national level developers such as, Vipul, Ansals, etc.
<b>Hambran Road</b>	Upcoming	Currently the area comprises of negligible organized commercial /retail activity with limited organized residential developments	Golf Links is the only organized residential project comprising of both plotted and high-rise apartments located in the immediate vicinity
<b>Canal Road</b>	Actively Upcoming	Small scale plotted developments, emerging private developer apartment activity such as Umbera Greens	Presence of local developers such as JLPL, Ashok Malhotra Group and Umbera
<b>South City</b>	Actively Upcoming	Organized & Unorganized mid – high end plotted housing colonies along with two Group Housing projects and upcoming SCO complexes	Presence of national and regional developers such as Hero Group, Janpath Group, AIPL (erstwhile IREO) etc.
<b>Jalandhar Road</b>	Upcoming	Proximity to existing commercial and residential areas in the city.	Eldeco & Aerens are few of the developers with a footprint in this vector
<b>Delhi Road</b>	Established	Industrial & logistics - Comprises of industrial units of Eastman Forging, Hero Cycles, etc.	Presence of logistics and industries, negligible real estate activity in terms of residential, retail, etc.
<b>Chandigarh Road</b>	Upcoming	Comprises of Industrial Units, an upcoming Group Housing Project along with an upcoming retail mall	Presence of logistics and industries along with residential activity from regional developers such as Hampton, GK Group, etc.











### **Residential Overview**

The residential real estate market in Ludhiana offers a diverse range of housing options catering to different preferences and budgets. Ludhiana's residential real estate market includes a mix of housing types such as independent houses, builder floors, apartments, villas, and plotted developments. Ferozepur and Chandigarh Road are the most attractive localities for mixed land use projects and integrated townships. Sarabha Nagar, Civil Lines and Gurdev Nagar are the prime locations for high-end plotted developments which are attracting the interest of developers. Model Town Extension, Rajguru Nagar, Maya Nagar, and Green Park are the developing residential clusters.

### **Retail Overview**

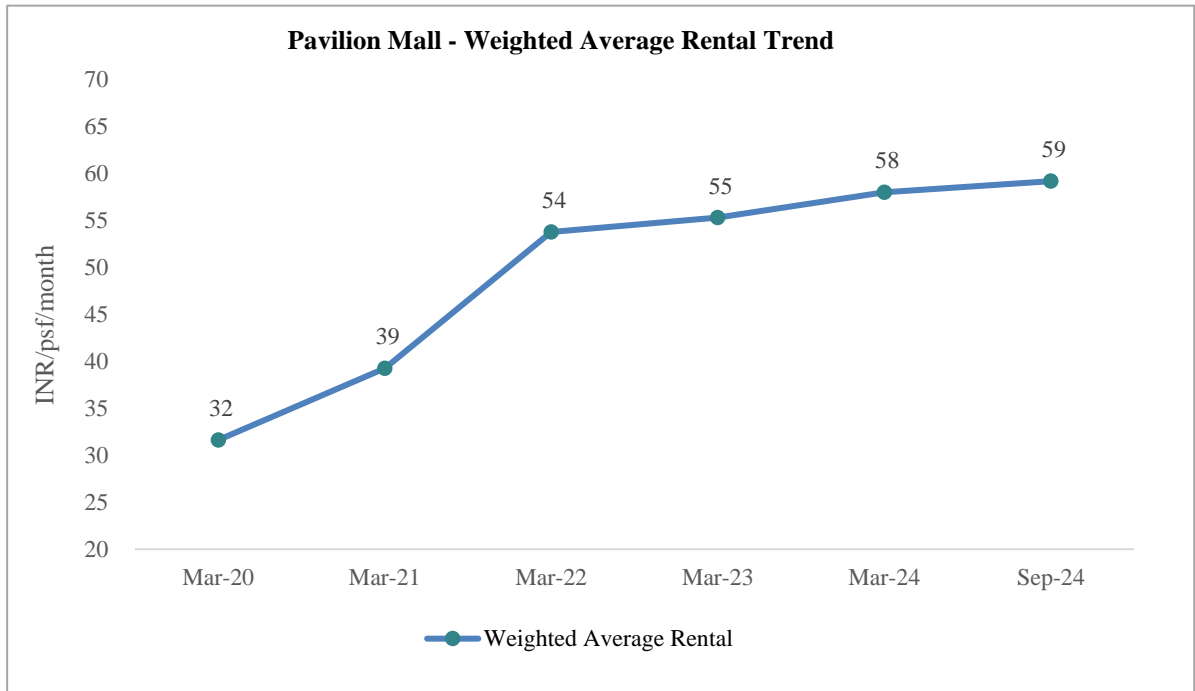
Ludhiana primarily comprises of high-street retail markets which are prominent shopping streets of Ludhiana. These are smaller shopping complexes with one or two anchor tenant(s) occupying majority of the area along with other small jewellery/fashion/electronics stores. Most of the footfall in these high-street markets come from the anchor tenant(s). Other retail malls like the Subject Property in Ludhiana are MBD Neopolis, Silver Arch and Wave mall. As per the interaction with local market intermediaries and analysing the footfall, the Subject Property and MBD Neopolis are two of the most prominent retail malls in the Subject Micro Market. Silver Arc and Wave Mall, on the other hand, have lower footfall and higher vacancy. While the Subject Property is located in the Civil Lines area which is one of the most affluent areas of Ludhiana, most other malls of similar format are located on Ferozpur Road. Thus the subject property is able to attract high footfall from population with high spending power.

The detailed overview of the Subject Property comparative to Other Malls has been described below:

Particulars	Subject Property	MBD Neopolis	Wave Mall	Grand Walk Mall	Silver Arc Mall	Sunview Plaza
						
<b>Location</b>	Civil Lines	Ferozpur Road	Ferozpur Road	Ferozpur Road	Ferozpur Road	South City
<b>Vacancy</b>	~12%	~0% - 5%	~10 – 15%	~0% - 2%	~15% - 20%	0% - 5% (Phase 1)
<b>Rentals (Ground Floor) (INR per sq. ft. per month)</b>	~130	~150-160	~140-150	Mostly on RS basis ~180-200	Mostly on RS basis ~180-200	~150-160
<b>Area (Sq. ft.)</b>	3.90 Lakhs	~4.5 Lakhs	~3 Lakhs	~1.5 Lakhs	~2.5 Lakhs	~2 Lakhs
<b>Key Tenants</b>	Shoppers Stop, PVR Cinemas, Zoreko	Smart Bazaar, Max, Lifestyle, Pantaloons	NYFC Gym, Mr. DIY, Mastizone	H&M, Kapsons, The Collective	The G.T Road Restaurant, PVR Inox, Mr. DIY	Tim Hortons, Nik Bakers, Starbucks

## 1.6 Rental Trend

The Subject Property has witnessed an increasing rental trend since FY 2020. The weighted average rental trend of the Subject Property is given in the chart below:



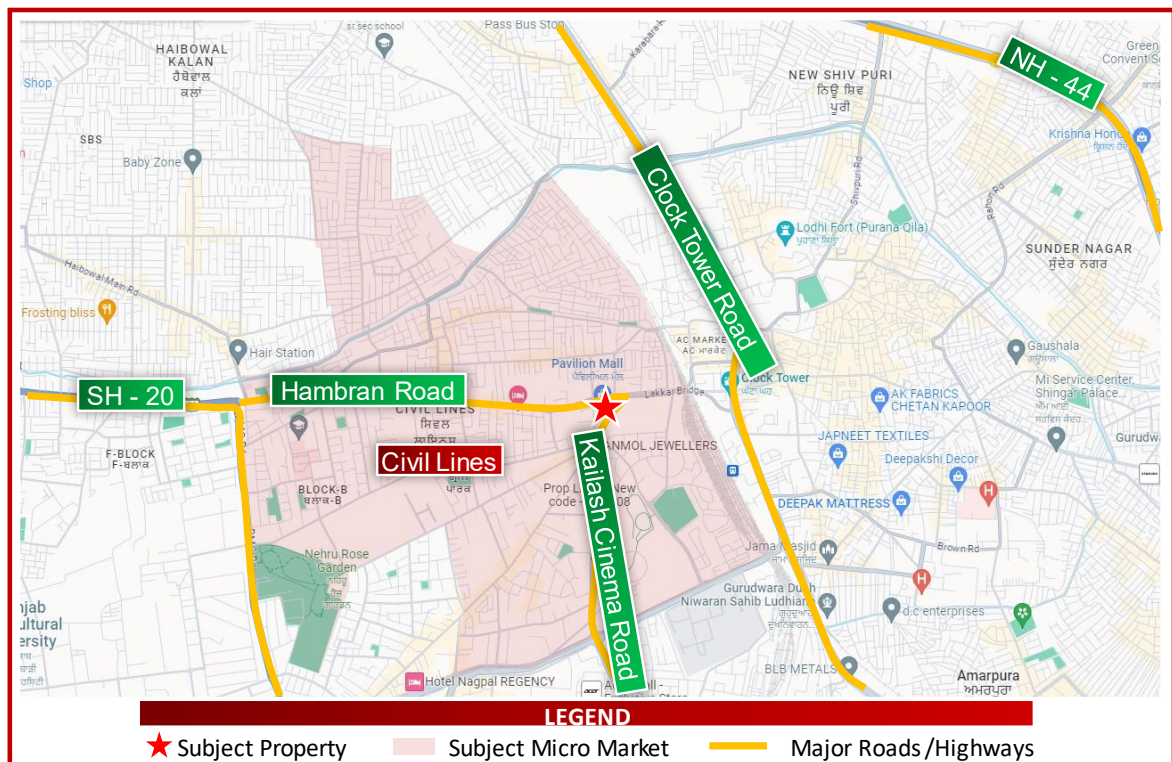
Notes:

1. Rentals for Pavilion Mall are in-place rentals of the mall.
2. These rentals are as on end of September. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.

## 2 Civil Lines – Subject Micro Market

### 2.1 Overview

The Subject Property is located in Civil lines, which is being referred to as Subject Micro Market. The Subject Property falls at the intersection point between Hambran road and Kailash Cinema Road. The retail landscape of the Subject Micro Market has been primarily developed into high-street format (typically in form of large showrooms providing a wide range of products). The residential developments primarily include plotted developments and villas. The Subject Micro Market is also well known for the affluent people residing in the nearby residential localities and contributing a significant portion to retail footfall. The current average pricing of the residential plots in this region are in the range of INR 1,50,000-2,00,000 per sq. yd. The Subject Micro Market also houses various government offices and educational institutions. All the above factors lead to generate a significant portion of footfall at the Subject Property.



Source: Cushman and Wakefield Research  
(Map not to scale)

## 2.2 Social and Physical Infrastructure



Source: Cushman and Wakefield Research  
(Map not to scale)

● Social Infrastructure    
 ● Lifestyle Infrastructure    
 ● Hospitality Developments    
 ● Higher Education Institutions

Social Infrastructure	Lifestyle Infrastructure	Hospitality Developments	Higher Education Institutions
1. Police DAV Public School (1.5 Km)	1. MBD Neopolis (7.6Km)	1. Hotel Gulmor (1.8 Km)	1. Dayanand Medical College (1.3 Km)
2. Kundan Vidya Mandir School (1.7Km)	2. Wave Mall (7.4 Km)	2. Hotel Friends Regency (2 Km)	2. Khalsa College for Women (1.4 Km)
3. Hero DMC Heart Institute (2.6 Km)	3. Grand Walk Mall (6.3 Km)	3. FabHotel Prime K9 Grand (0.5 Km)	3. Arya College (1.3 Km)
4. Sidh Peeth Dandi Swami Mandir (1 Km)	4. Silver Arc Mall (2.8 Km)		
5. ISKCON Temple, Ludhiana (0.5 Km)	5. Omaxe Plaza (2.1 Km)		

Civil Lines, where the Subject Property is located, runs along the main road (Ludhiana Road) connecting Ludhiana to other cities of Punjab through NH5 (Ferozpur Road). Hambram Road and the Mall Road (Kailash Cinema Road) are also major roads running through the Subject Micro Market which provide connectivity to the Subject Property through other parts of the city.

Ludhiana Railway station is located at approximately 2 km from Subject Micro Market (assuming Subject Property being the point of measurement).



### **3 Market Outlook**

Pavilion mall comprising of freehold land of approximately 2.47 Acres is a prominent shopping and entertainment destination in established cluster Civil Lines in Ludhiana.

The Subject Micro Market is a well-established residential and retail vector. The Subject Micro Market has limited future supply and is a preferred micro market by occupiers. Further, other successful malls in Ludhiana like MBD Neopolis, Grand walk, and Wave Mall have witness range bound vacancy levels of 5-10%

The significant industrial activity in Ludhiana constitutes numerous small and medium size industrial ventures. Consequently, there is a significant proportion of the population in Ludhiana who either own or are working at senior positions at these industrial units. This population forms the potential footfall for the Subject Property. Also considering the history of the Subject Micro Market where administrators, officers, and other officials reside, there is a substantial base of visitors with high income and high purchasing power residing around the Subject Property. This makes the Subject Micro Market an attractive location for retail developments where the Subject Property is the only Non-strata well maintained retail mall.

According to the market assessment provided, the current market rentals of Non-Strata malls in the city for ground floor vanilla tenants are in the range of INR 120 – INR 140 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

Considering the well-maintained infrastructure, key location, the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.

## **C      SUBJECT PROPERTY REPORT**

## **1 Address, Ownership and Title details of the Subject Property**

Address:	Pavilion Mall, Civil Lines, Ludhiana, Punjab 141008
Ownership & title details:	Land Tenure: Freehold. The Subject Property is wholly owned by Rostrum Realty Projects Private Limited.

*Source: Client Information*

### **1.1 Encumbrances**

Unless disclosed and recorded in the Subject Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets except for those created in favour of the lenders, based on the information given in the Title Reports prepared by Khaitan and Co (Hereinafter referred to as ‘Legal Counsels’). We have not checked and verified the title of the Subject Property.

### **1.2 Revenue Pendencies**

On the basis of the Title Reports prepared by the Legal Counsels and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Subject Property or any compounding charges. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### **1.3 Material Litigation**

Based on discussions with the Client and Title Reports shared, there are no material litigations relating to the Subject Property or any compounding charges.



## 2 Location

### 2.1 General

The Subject Property is located in Civil Lines, Ludhiana, Punjab (Hereinafter referred to as Subject Micro Market), an established commercial hub with popular place for dining and shopping. The Subject Property is located on a corner plot and is accessible via a 24-meter-wide road towards north namely Hambran road (it is one of the main arterial roads of Ludhiana) and a 24-meter-wide road towards east know as Kailash Cinema Road. This strategic location provides connectivity between the Subject Property and the key nodes in the city.

The Subject Property is primarily surrounded with commercial and residential developments. Other developments located in vicinity of Subject Property are Guru Nanak Stadium & Dayanand Medical College.

The location map of the Subject Property is as follows:



Source: Cushman and Wakefield Research  
(Map not to scale)

#### Site Boundaries:

The site boundaries for the Subject Property are as under:

- North: Main Hambran Road (Secondary Access Road)
- South: Others Property
- East: Kailash Cinema Road (Primary Access Road)
- West: Officer's Colony

## **2.2 Accessibility**

The Subject Property is well connected to major locations in the city via multiple modes of communication. The distances from major landmarks are as follows:

- Approximately 02 km from Ludhiana Railway Station
- Approximately 03 km from Feroz Gandhi Market
- Approximately 15 km from Ludhiana Airport
- Approximately 88 km from Chandigarh
- Approximately 320 km from Delhi

## **2.3 Ground Conditions**

Based on visual inspection, there was no evidence of adverse ground conditions at the Subject Property or immediate vicinity.

## **2.4 Environmental Considerations**

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

For the purpose of assessing the vulnerability of the Subject Property to any natural or induced disaster the location of the Subject Property with respect to risks pertaining to earthquakes, high winds/ cyclone and flooding was studied. The city faces low risk in terms of high winds or cyclones too. The Subject Property is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Subject Property which may expose it for any induced disaster.

## **2.5 Town Planning and Statutory Considerations**

We have not made formal search but have generally relied on readily available information to general public. Our Report is on current use/ current state basis of the Subject Property, and we have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Subject Property.

### 3 Subject Property - Asset Description

Pavilion has a leasable area of 389,588 sq. ft. The Subject Property consists of 1 tower.

The floor wise break up for the Subject Property is mentioned in the table below:

Particulars	Leasable Area (sq. ft.)	Zoning	Key Tenants
<b>Tower 1</b>	<b>389,588</b>	<b>Completed</b>	<b>NA</b>
Basement 1, 2 and 3	-	Parking	NA
Lower Ground and Atrium Floor	58,886	Women's Fashion	Shopper Stop, Marks and Spencer, House of Konzept
Upper Ground Floor and Ground Floor	49,456	Premium Brands	Shopper Stop, Marks and Spencer, Only
Floor 1	54,538	Men's Fashion	Shopper Stop, Hamleys, Miniso
Floor 2	31,043	Kids and Lifestyle	Mother care, SPA nation, Pure Home + Living
Floor 3	65,205	PVR and Food Court	PVR, Bikanerwala
Floor 4	46,099	Entertainment	Timezone, The Beer Café
Floor 5	33,776	Entertainment	Smaaash
Floor 6	12,667	Hotel	The Stories – 27 Rooms
Floor 7	12,500	Gym	The Fitness Center
Floor 8	12,714	Microbrewery	Fox in the Field
Floor 9	12,705	Night Club	Tokyo Eye

*Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client Information*

### 3.1 Key Asset Information

Completed Buildings with Occupancy Certificates (OC) received.

Particulars	Details
<b>Entity:</b>	Rostrum Realty Private Limited
<b>Asset Type:</b>	Commercial
<b>Sub-Market:</b>	Civil Lines, Ludhiana
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~2.47
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	389,588 sq. ft.
<b>Occupied Area:</b>	341,474 sq. ft.
<b>Occupancy (%):</b>	87.6%
<b>Current Effective Rent (excluding parking):</b>	INR 59 per sq. ft per month
<b>Number of Tenants:</b>	94

*Source: Architect's Certificate (30<sup>th</sup> October 2024), Rent Roll as at 30<sup>th</sup> September 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 1 operational building was physically inspected on 23 <sup>rd</sup> April 2024 (Subsequently no site visits have been conducted)
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>Operational building</li> <li>Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is a Retail Mall catering to various types of tenants offering amenities like parking spaces, concierge, medical assistance, and EV charging.</p> <ul style="list-style-type: none"> <li><b>Completed/ Operational Building:</b> <p>The operational building with OC received admeasures 389,588 sq. ft. of leasable area.</p> <p>The operational building comprises of 9 floors and 3 basements which are being used as parking space for visitors. Major tenants include Shopper Stop, PVR, Fox in the Field, Smaaash, Timezone, Marks and Spencer's and The Stories (Hotel).</p> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>The Subject property has Stacked Parking, Concierge, Medical Assistance, Ambulance, EV Charging Station, STP, and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul> <p><b><u>Awards &amp; Certifications</u></b></p> <ul style="list-style-type: none"> <li>Pavilion is the first mall in India to be conferred with BEE 5 Star rating for energy efficiency.</li> </ul> <p><b><u>Parking</u></b></p> <ul style="list-style-type: none"> <li>The large parking requirement is catered by multilevel basements and stacked parking slots contributing to 735 Four-wheeler parking spaces.</li> </ul> <p><b><u>Other Observations</u></b></p> <ul style="list-style-type: none"> <li>The Subject Property has one entry and exit point for four wheelers along with a separate entry and exit for 2 wheelers and pedestrians which are managed according to the traffic circulation plan.</li> <li>The visual inspection of the building did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.</li> <li>The utility areas also appeared well maintained, visually.</li> <li>No instances of any major logging or water accumulation were observed during the inspection.</li> </ul>	

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024

**Note:**

- The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.

### **3.3 Investigation and nature and source of information**

The Valuer undertook physical visits of the Subject Property wherein the building and related assets were visually inspected to assess the condition of the building and the apparent state of its maintenance/ upkeep.

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by C&WI who were appointed by the Client to undertake market research and portfolio analysis of the Property forming part of the REIT.

The Valuer relied on the following information and documents shared by the Client with respect to the Subject Property:

Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

Architect's Certificates (Dated: 30th October 2024) [CA1] mentioning site areas and Subject Property areas.

Relevant approval documents from competent authorities regarding occupancy, operations, and fire safety with respect to specific building in the Subject Property.

Lease agreements and commercial clauses thereof for major tenants on a sample basis.

Masterplan/ Development plan applicable in the jurisdiction of the Subject Property.

Management representation regarding the following:

Major repairs undertaken and proposed in the Subject Property (please refer Annexure 8)

Statement of Assets

Revenue pendency, if any

Options or rights of pre-emption and any other encumbrances concerning or affecting the Subject Property.

### 3.4 Tenant Profile

As of 30<sup>th</sup> September 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~65% of leased area and ~50% of the gross rental income.

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Shopper Stop	52,238
2	PVR Cinemas	40,998
3	Zoreko	33,776
4	Timezone	25,016
5	Marks and Spencer's	19,962
6	The Stories	12,667
7	Fitness Centre	12,500
8	Hamleys	9,083
9	Tokye I	8,418
10	Fox in the Field	7,014
<b>Total</b>		<b>221,672</b>

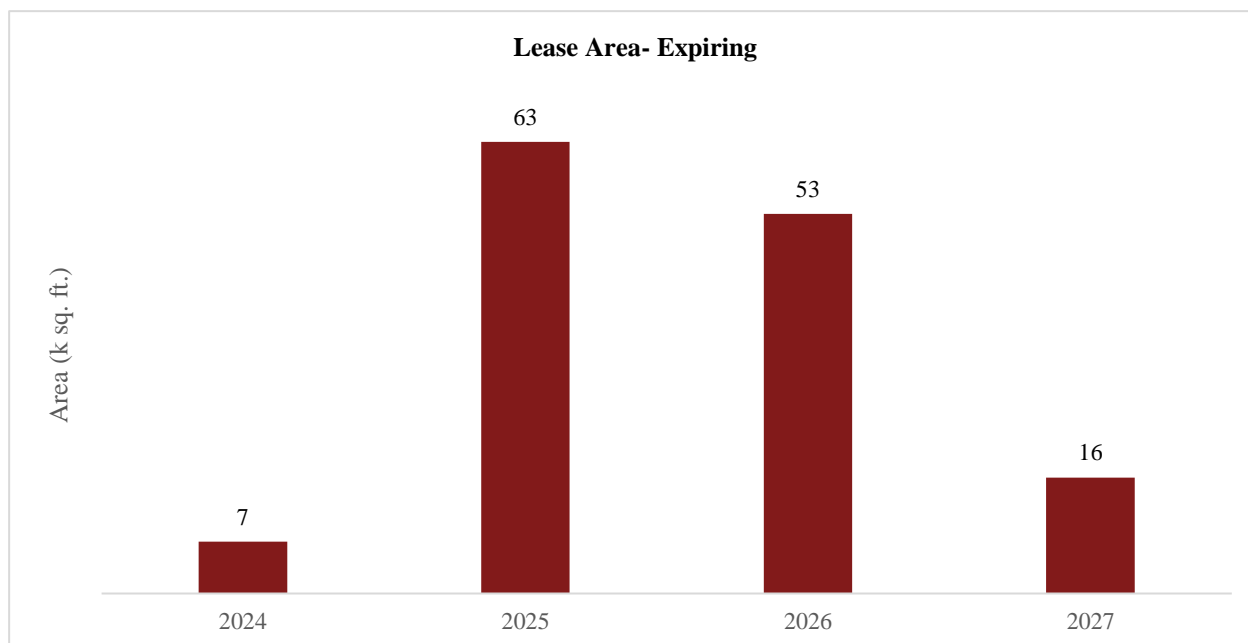
Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Shoppers Stop	14%
2	PVR Cinemas	13%
3	Marks and Spencer's	5%
4	Zoreko	5%
5	Timezone	4%
6	Van Heusen	2%
7	Madame	2%
8	The Stories	2%
9	Only	2%
10	Vero Moda	2%
<b>Total</b>		<b>50%</b>

Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 3.9 years, with ~41% of occupied area expiring between 2024 and 2027 as shown in the chart below.



Source: Rent Roll as at 30<sup>th</sup> September 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents October 2024 to December 2024.



## **4 Valuation Approach & Methodology**

### **4.1 Asset-specific Review:**

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time. It has also been witnessed that the market rents for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the Subject Property under review.

As the first step to the valuation of the asset, the rent roll and lease deeds were reviewed to identify tenancy characteristics for the asset.

Property Documents and architect certificates as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.

Physical site inspections were undertaken to assess the current status of the Subject Property.

### **4.2 Micro-market Review:**

For the purpose of the valuation exercise, reliance has been placed on the market report prepared by Cushman and Wakefield (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market research. Accordingly, the review was carried out in the following manner –

An assessment of the site and surroundings has been undertaken with respect to the prevailing activities, market dynamics impacting the values and the current use of the respective properties vis-à-vis its locational context, etc. Analysis of the Micro-Market was undertaken primarily based on the findings of the industry/ market report prepared by C&WI and readily available information in public domain to ascertain the transaction activity of commercial/ IT office space. The analysis entailed review of comparable assets in terms of potential competition (both completed and under-construction/ planned assets), comparable recent lease transactions witnessed in the Micro-Market along with the historical leasing and re-leasing history within the asset over the last 2-3 years, if available. This was undertaken to assess the market rent (applicable rental for the Micro-Market where the asset is located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant spaces as well as upon releasing).

#### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.

**Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.

**Step 3:** Based on the contractual turnover rent percentage of respective tenants and average tenant sales psf per month, Turnover rent is estimated for each tenant and is compared with the minimum guaranteed rentals in line with the tenant contracts. The higher of the two is adopted for the purpose of estimating cash flows.

**Step 4:** Computing the monthly rental income projected as part of Step 1,2, & 3 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).

3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

#### 4.4 Information Sources:

Subject Property related information relied upon for the valuation exercise has been provided to the Valuer by the Client and the market data has been provided by C&WI, unless otherwise mentioned. The documents provided have been assumed to be a true copy of the original. The rent rolls have been cross checked with the lease deeds on a sample basis only to ensure its correctness.

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 30<sup>th</sup> September 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	30-September-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	30-September-34

### Subject Property Details:

Subject Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	389,588
Area Leased	Sq. ft.	341,474
Occupancy	%	87.6%
Vacant Area	Sq. ft.	48,114
Vacancy	%	12.4%
Stabilized Vacancy	%	5%
Further leasing	Sq. ft.	28,635
Existing Lease Rollovers	%	100%
Rent free Period - Existing Leases	Months	1
Rent free Period - New Leases	Months	3
Estimated Leasing Period	# of quarters	3

Source: Architect's Certificate (Dated: 30<sup>th</sup> October 2024), \*Rent Roll as at 30<sup>th</sup> September 2024

Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

- **Rent-free period:** In accordance with market benchmarks for retail malls, rent-free period of one month has been considered for existing lease rollovers and three months for new leases.
- **Future absorption:**
  - The Subject Property is located in a premium residential Micro-Market and has one of the best tenant mixes. The mall has achieved a stable occupancy level that is at par with the top malls in Ludhiana.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.03 msf within 3 quarters from January 2025 after incorporating a 5% stabilised vacancy considering the locational attributes of the Subject Property
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2024.
  - For the purpose of valuation, we have assumed area leased to large anchor tenants as vacant area post expiry of their current lease. The same area will be re-leased within 3 quarters from the date of lease expiry wherein rent-free period is assumed to be 3 months along with brokerage of 2 months of rental.

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Market Rent – Atrium and LGF - Anchor	Per sq. ft. per month	INR 50.00
Market Rent – Atrium and LGF - Vanilla	Per sq. ft. per month	INR 120.00
Market Rent – GF and UGF - Anchor	Per sq. ft. per month	INR 50.00
Market Rent – GF and UGF - Vanilla	Per sq. ft. per month	INR 130.00
Market Rent - 1F- Anchor	Per sq. ft. per month	INR 40.00
Market Rent - 1F- Vanilla	Per sq. ft. per month	INR 110.00
Market Rent - 2F- Vanilla	Per sq. ft. per month	INR 60.00
Market Rent - 3F- Anchor	Per sq. ft. per month	INR 40.00
Market Rent - 3F- Vanilla	Per sq. ft. per month	INR 45.00
Market Rent - 4F- Anchor	Per sq. ft. per month	INR 30.00
Market Rent - 4F- Vanilla	Per sq. ft. per month	INR 40.00
Market Rent – Upper Floors (5 <sup>th</sup> – 6 <sup>th</sup> ) - Anchor	Per sq. ft. per month	INR 30.00
Market Rent – Upper Floors (7 <sup>th</sup> – 9 <sup>th</sup> ) - Anchor	Per sq. ft. per month	INR 25.00
Market Rent – Multiplex	Per sq. ft. per month	INR 65.00
Market Rent Growth rate	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9 years
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15.0%
O&M Income for future leases	Per sq. ft. per month	INR 29.83

- **Market rent - Rent:** We have assumed the floor-wise market rentals of the Subject Property considering the location, accessibility, quality, size of the building, and keeping in view the future supply, which is very limited.
- **Market rent growth rate:** Considering the current vacancy levels and future supply profile in the Subject Micro Market, we expect annual growth in achievable market rentals to be 5% in the medium to long term.
- **Other income:** We have been provided with other income for Visitor Car Park, ATM, Telecom Tower, Kiosk, and miscellaneous income. We have considered an annual growth of 5% on other income. Also, other income includes property tax recovery from the tenants as per the contract and the same are escalated at an annual growth rate of 5%.
- **O&M Income:** O&M Income were shared by the Client. O&M income constitutes, O&M Expense and Mark-up of 20% on O&M expense and sinking fund. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Income has been suitably adjusted to normalise it over the future tenure. O&M Income has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards excluding sinking fund. As per general market practices, Anchor tenants are charged at a lower O&M rate, therefore rollover for anchor tenant spaces are happening at 50% of the assumption O&M income.

### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Property Tax	Per sq. ft./month	INR 4.49
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Marketing expense	Per sq. ft./month	11.17
O&M Expense	Per sq. ft./month	22.40
Maintenance Capex	Per sq. ft./month	INR 2.1

Please note that there is a general development expenditure of INR 19 million to be incurred on the Subject Property.

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'25 and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Marketing Expense:** Marketing expense is to be incurred to fill up the vacant area of the mall. The Client has provided us with the per sq. ft. expense which is to be incurred on vacant area. We have assumed marketing expense to be incurred until the Subject Property reaches stabilised occupancy levels.
- **O&M Expense:** O&M Cost has been calculated basis markup of 20% on CAM income after deducting sinking fund and the same has been projected to increase at 5% per annum from FY'26 onwards.
- **Transaction cost:** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.
- **Payroll Expense:** The Payroll expense for the period between 1st October 2024 – 31st March 2025 for Airtel Centre is considered to be INR 1.38 Million. The same has been converted to annual basis and escalated at 6.5% annually for subsequent years.



### **Discount Rate & Capitalisation rate assumptions**

- **Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value, indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/ low risk interest rates.

In order to arrive at the capitalization rate for the property, we consider that these investments have been made through private equity and the subject valuation is being carried out for public listing with better liquidity/ marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 9% in line with the available market information and appropriately adjusted for Tier 3 cities wherein the Subject Property is located. This cap rate is applied on the one year forward NOI in the terminal year.

- **Discount Rate**

The discount rate applied to the available cash flows reflects the opportunity cost to all the capital providers, namely shareholders (Cost of Equity) and creditors (Cost of Debt), weighted by the relative contribution to the total capital of the company (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of arriving at the Cost of Equity, we have benchmarked with listed comparable of Nexus Select Trust REIT which has been trading since May 2023. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject Property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/ properties in the market.

The derived discount rate of 11.75% for completed buildings was found to be aligned with the expectations of international investors investing in similar assets.

## 6 Market Value

The Valuer is of the opinion that the subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 30<sup>th</sup> September 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	30 <sup>th</sup> September 2024	INR 2,903 Million	Indian Rupees Two Billion Nine Hundred and Three Million Only

### Ready Reckoner Rate

Component	Rate
Land area	INR 45,000 per sq. yard.

*Note: The rate for the Built-up Area is not available*

For reference, please refer Annexure 7.

I, L. Anuradha, the Valuer for the Subject Property, hereby declare that:

- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



## **Annexure 1: Cash Flows**

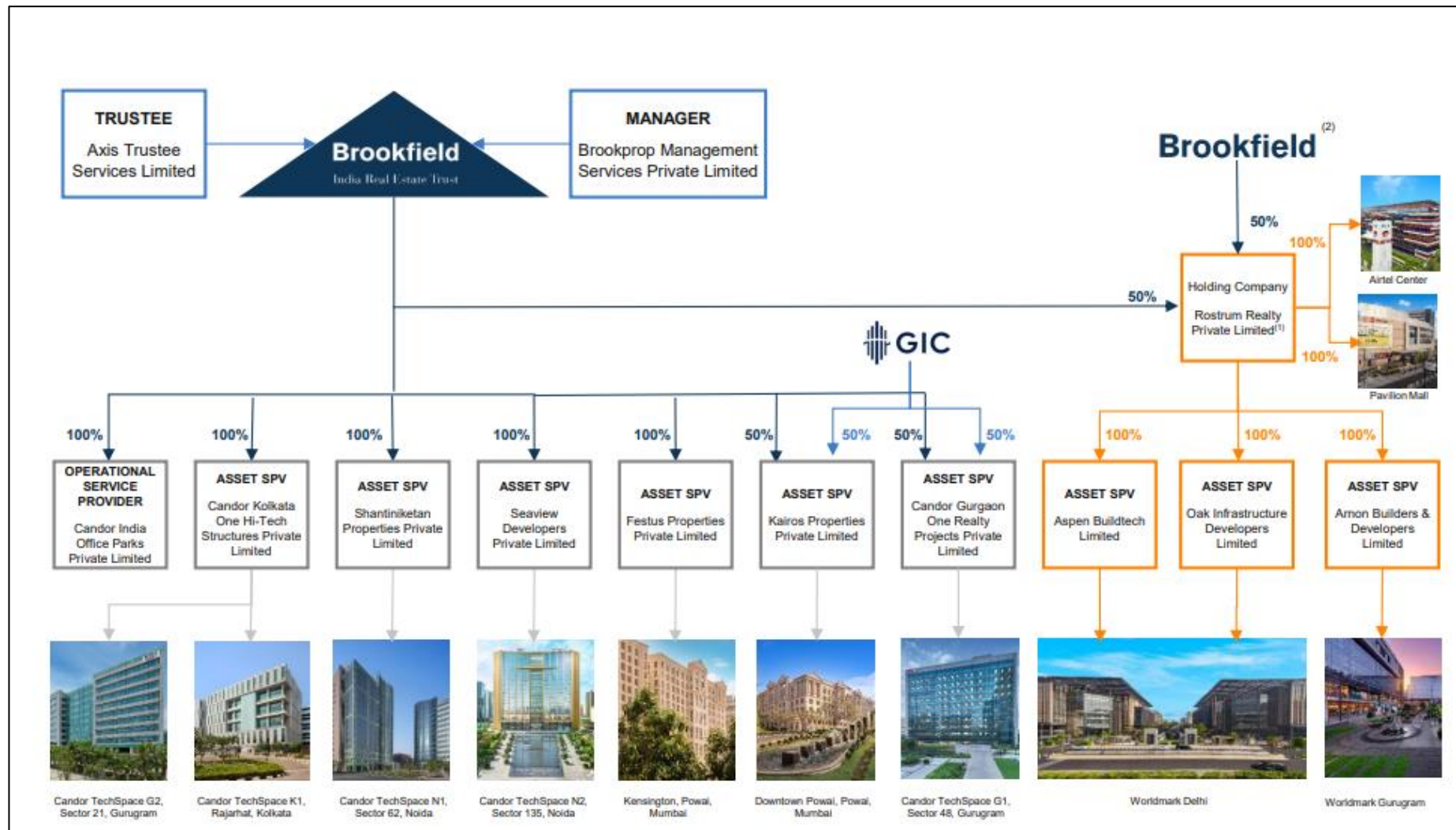
### **Completed Buildings**

Particulars	Unit	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29	Oct-30	Oct-31	Oct-32	Oct-33	Oct-34
		Sep-25	Sep-26	Sep-27	Sep-28	Sep-29	Sep-30	Sep-31	Sep-32	Sep-33	Sep-34	Sep-35
<u>OPERATING INCOME</u>												
Lease Rentals	INR Million	233	261	276	287	296	318	332	350	371	385	411
O&M Income	INR Million	85	95	103	107	114	128	138	146	155	165	173
Other Income	INR Million	14	14	13	13	12	10	10	10	11	11	11
Total Income from occupancy	INR Million	332	370	392	407	422	455	480	506	536	561	595
<u>OPERATING COSTS</u>												
O&M Costs For Vacant Areas	INR Million	(4)	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(22)	(23)	(24)	(25)	(26)	(27)	(29)	(30)	(32)	(33)	(35)
O&M Expense	INR Million	(97)	(107)	(112)	(118)	(124)	(130)	(137)	(144)	(151)	(158)	(166)
Payroll Expense	INR Million	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(5)	(5)	(5)
Total Operating Costs	INR Million	(126)	(133)	(139)	(146)	(154)	(162)	(170)	(178)	(187)	(197)	(207)
Net operating Income	INR Million	206	237	253	260	268	293	310	328	349	365	388
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	4,314	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(43)	
Total Net Income	INR Million	206	237	253	260	268	293	310	328	349	4,635	
Marketing Expenses	INR Million	(2)	-	-	-	-	-	-	-	-	-	
Maintenance Capex	INR Million	(11)	(12)	(12)	(13)	(13)	(14)	(15)	(16)	(16)	(17)	
Brokerage Expenses	INR Million	(6)	(4)	(2)	(1)	(7)	(4)	(0)	(1)	(1)	(7)	
Total construction costs	INR Million	(19)	-	-	-	-	-	-	-	-	-	
Net Cashflows	INR Million	168	221	238	246	247	276	295	311	331	4,610	

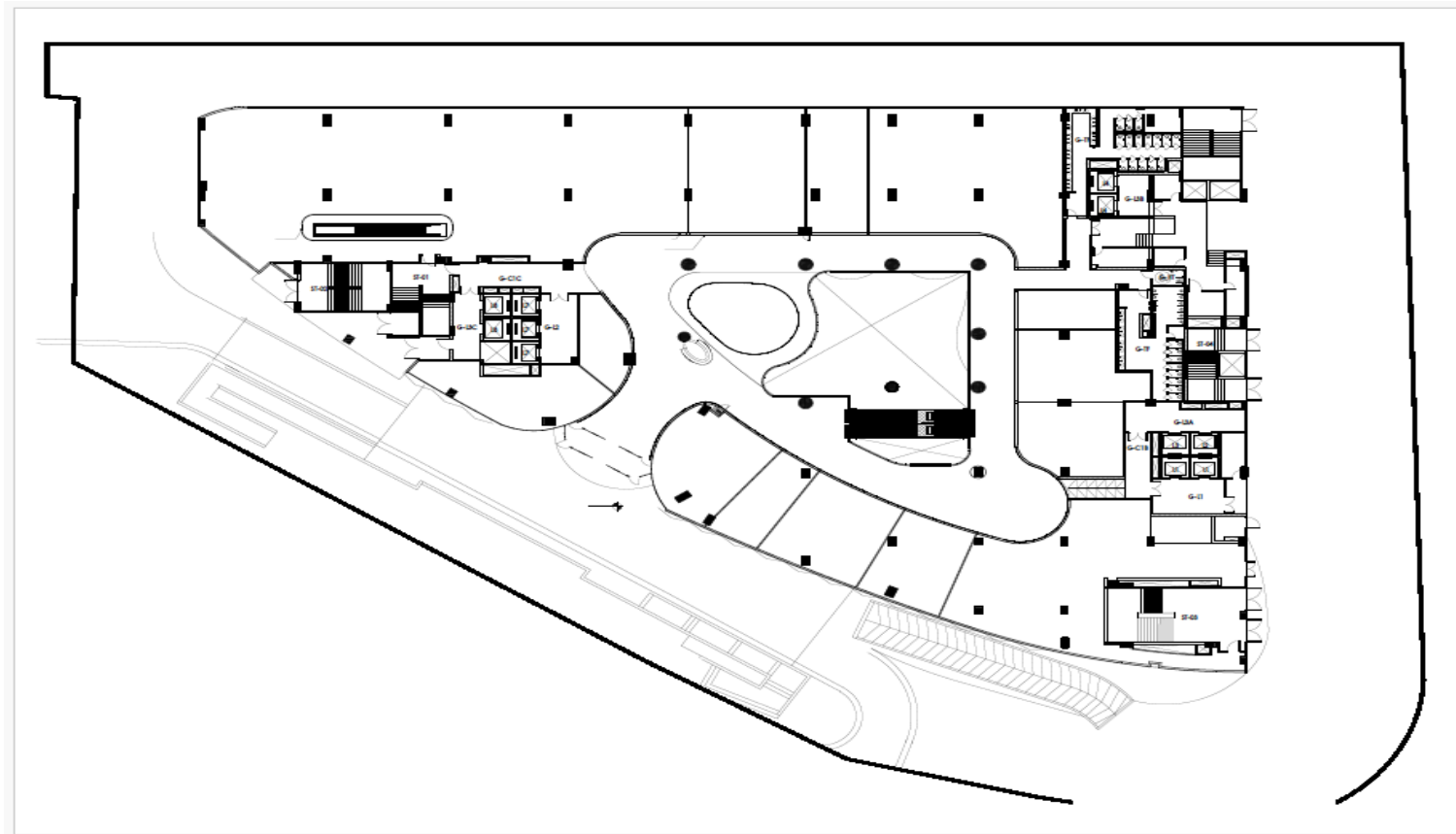
*Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.*



## Annexure 2: Ownership Structure



**Annexure 3: Site Layout**



*Source: As provided by Client*



**Annexure 4: Subject Property Photographs**



External View of Subject Property



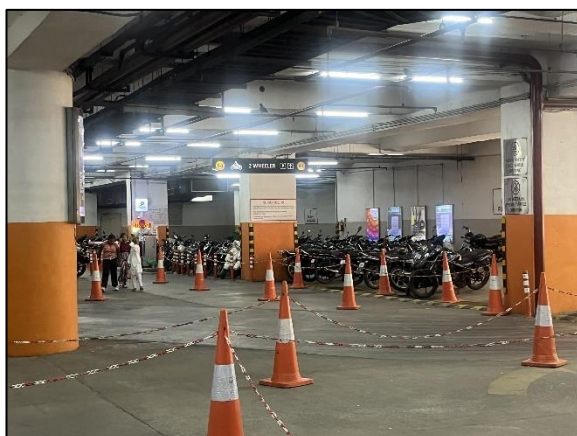
External View of Subject Property



Internal View of Subject Property



Internal View of Subject Property



View of Parking



View of Food Court

**Annexure 5: Statement of Key assets**

<i>Building</i>	<i>No/Name</i>	<i>Pavilion Mall</i>
No. of DG Capacity	KVA	(3 X1500 KVA) (1X 750 KVA)
No. of Transformer/Capacity	KVA	(2X2250 KVA)
Chiller Rating	TR	(4*350 TR)
Cooling Tower		(3*375 TR)
FF Systems	KW/HP	Sprinkler Jockey 1*10 HP, 7.5 kw Hydrant Jockey 1*10 HP, 7.5 Kw Main Sprinkler pump 120 HP, 90 Kw Main Hydrant pump 120 HP, 90 Kw Fire Diesel pump 149 HP
Water pumping System	KW/HP	Treated water transfer pump 2 * 7.5 Kw Soft water transfer pump 2 * 7.5 Kw RO water Transfer Pump 2* 4 Kw STP - Softener OH 2* 7.5 Kw STP - Flushing Water OH 2*7.5 Kw
STP Rating	KLD	1* 250 KLD
Warmshell/Bareshell		Bareshell

*Source: As provided by Client*

## **Annexure 6: List of sanctions and approvals**

List of one-time sanctions/ approvals which are obtained or pending:

### **Approvals Received**

- a) Building Plan Approvals for all existing buildings and amendments thereof
- b) Consent to Establish (CTE)
- c) Environment Clearance Certificate
- d) Height clearance NOC from AAI
- e) Fire NOC
- f) BOCW Registration
- g) Occupancy Certificate for the entire constructed building
- h) Approval of Service Plan Estimates
- i) Consent to Operate (CTO) from Punjab Pollution control board.

## Annexure 7: Ready Reckoner Rate for Land Area

ਕੁਲੈਕਟਰ ਰੇਟ ਲਿਸਟ ਲੁਧਿਆਣਾ (ਪੂਰਬੀ)

Sr	village	Location Name (Abadi)	Location Name (Abadi)	Collector Rate 2022-23			New Propose Rate UST 2023-24			Remarks	
				Agriculture	Residential	Commercial	Agriculture	Residential	Commercial		
117	ਲੁਧਿਆਣਾ	Ghaas Kucha Maleri Mal	ਘਾਸ ਕੁਚਾ ਮਲੇਰੀ ਮਲ		51000	67000	49000	51000	67000	49000	
118	ਲੁਧਿਆਣਾ	Ghaas mandi	ਘਾਸ ਮੰਡੀ		23000	67000	49000	23000	67000	49000	
119	ਲੁਧਿਆਣਾ	Ghaas mandi main road upto nika mal	ਘਾਸ ਮੰਡੀ ਮੇਨ ਰੋਡ ਅੱਪ ਟੂ ਨਿਕਾ ਮਲ		56000	71000	53000	56000	71000	53000	
120	ਲੁਧਿਆਣਾ	Khawja Khotli	ਖੁਆਜਾ ਕੋਟੀ		14000	18000	13000	14000	18000	13000	
121	ਲੁਧਿਆਣਾ	Khud Mohalla	ਖੁਦ ਮੁਹੱਲਾ		25000	33000	25000	25000	33000	25000	
122	ਲੁਧਿਆਣਾ	Khardiya bazar	ਖਰਦੀਆ ਬਜ਼ਾਰ		23000	67000	49000	23000	67000	49000	
123	ਹਸਨ ਰੋਡਾ	Sant Nagar	ਸੰਤ ਨਗਰ		28000	45000	33000	28000	45000	33000	
124	ਹਸਨ ਰੋਡਾ	Krishana Nagar	ਕਰਿਸ਼ਨਾ ਨਗਰ		24000	45000	33000	24000	45000	33000	
125	ਹਸਨ ਰੋਡਾ	Gurdev Nagar	ਗੁਰਦੇਵ ਨਗਰ		33000	53000	40000	33000	53000	40000	
126	ਹਸਨ ਰੋਡਾ	Gobind Nagar	ਗੋਬਿੰਦ ਨਗਰ		24000	45000	33000	24000	45000	33000	
127	ਹਸਨ ਰੋਡਾ	Maharaj Nagar	ਮਹਾਰਾਜ ਨਗਰ		24000	45000	33000	24000	45000	33000	
128	ਮਹਾਲ ਰੋਡ	Club Road	ਕਲੱਬ ਰੋਡ		43000	67000	49000	43000	67000	49000	
129	ਮਹਾਲ ਰੋਡ	Officer Residant	ਆਫੀਸਰ ਰਿਜਾਡੈਂਸ		150000	0	0	150000	0	0	
130	ਮਹਾਲ ਰੋਡ	Mall Road	ਮਾਲ ਰੋਡ		140000	148000	104000	140000	148000	104000	
131	ਮਹਾਲ ਬਗ਼ਾਤ	Sochial Nagar sahmane chowni mohalla	ਸੋਚਲ ਨਗਰ ਸਾਹਮਣੇ ਚਾਉਣੀ ਮੁਹੱਲਾ		8000	20000	15000	8000	20000	15000	
132	ਮਹਾਲ ਬਗ਼ਾਤ	Shahi Mohalla	ਸ਼ਾਹੀ ਮੁਹੱਲਾ		19000	29000	21000	19000	29000	21000	
133	ਮਹਾਲ ਬਗ਼ਾਤ	Sohan singh nagar	ਸੋਹਨ ਸਿੰਘ ਨਗਰ		8000	20000	15000	8000	20000	15000	
134	ਮਹਾਲ ਬਗ਼ਾਤ	Sabzi mandi to ganta ghar	ਸਬਜੀ ਮੰਡੀ ਤੋਂ ਗੰਟਾ ਘਰ		70000	78000	58000	70000	78000	58000	
135	ਮਹਾਲ ਬਗ਼ਾਤ	Sanagt Road	ਸੰਗਤ ਰੋਡ		31000	56000	41000	31000	56000	41000	
136	ਮਹਾਲ ਬਗ਼ਾਤ	Sant street	ਸੰਤ ਸਟਰੀਟ		19000	33000	25000	19000	33000	25000	
137	ਮਹਾਲ ਬਗ਼ਾਤ	Sant Nagar	ਸੰਤ ਨਗਰ		31000	56000	41000	31000	56000	41000	
138	ਮਹਾਲ ਬਗ਼ਾਤ	National Road	ਨੈਸ਼ਨਲ ਰੋਡ		17000	16000	13000	17000	16000	13000	
139	ਮਹਾਲ ਬਗ਼ਾਤ	Left side choura bazar girja ghar	ਲੈਫਟ ਸਾਇਡ ਚੌਰਾ ਬਜ਼ਾਰ ਗਿਰਜਾਘਰ		82000	86000	60000	82000	86000	60000	
140	ਮਹਾਲ ਬਗ਼ਾਤ	Fatehgarh(Chaand cinema)	ਫ਼ਤਹਗੜ੍ਹ (ਚਾਂਦ ਸਿਨੇਮਾ)		8000	22000	17000	8000	22000	17000	
141	ਮਹਾਲ ਬਗ਼ਾਤ	Daulat industary	ਦੌਲਤ ਇੰਡਸਟਰੀ		25000	33000	25000	25000	33000	25000	
142	ਮਹਾਲ ਬਗ਼ਾਤ	Deep nagar	ਦੀਪ ਨਗਰ		24000	40000	30000	24000	40000	30000	
143	ਮਹਾਲ ਬਗ਼ਾਤ	Deepak cinema road	ਦੀਪਕ ਸਿਨੇਮਾ ਰੋਡ		35000	67000	49000	35000	67000	49000	
144	ਮਹਾਲ ਬਗ਼ਾਤ	deepak cinema road 50 ft back	ਦੀਪਕ ਸਿਨੇਮਾ ਰੋਡ 50 ਫੁੱਟ ਪਿੱਛੇ		7000	10000	7000	7000	10000	7000	
145	ਮਹਾਲ ਬਗ਼ਾਤ	Canal plaza AC market	ਕੈਨਲ ਪਲਾਜ਼ਾ ਏ.ਸੀ. ਮਾਰਕੀਟ		0	94000	69000	0	94000	69000	
146	ਮਹਾਲ ਬਗ਼ਾਤ	Kalish cinema road	ਕੈਲਾਸ ਸਿਨੇਮਾ ਰੋਡ		24000	45000	33000	24000	45000	33000	

Sub Divisional Magistrate  
LUDHIANA (East)

District Collector  
LUDHIANA

SUB REGISTRAR LUDHIANA (EAST)

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Source: <https://ludhiana.nic.in/collector-rate-2023-24/>



#### **Annexure 8: Major Repairs Undertaken and Proposed in the Subject Property**

As informed by Client, following major repairs / upgrades have been taken up in the past:

1. Upgrades: None
2. List of ESG initiatives:
  - Bottle Crusher Machine
  - Composter Machine
  - VFD In Chiller Plant 4
  - ANPR System resulting in reduced processing time & reduced emissions.
  - Regular Medical Check-up Camps

## Annexure 9: Caveats & Limitations

1. The Valuation Report (hereafter referred to as the “Report”) covers specific markets and situations that are highlighted in the Report based on readily available secondary market information and does not entail any comprehensive analysis of the market and the industry given the nature of the scope of the assignment.
2. The opinions expressed in the Report are subject to the limitations expressed below.
  - a. The valuation method adopted is based on the Valuer’s expertise and knowledge taking into account the generally available market information and considered to be relevant and reasonable at that point of time. The Report and the opinions therein do not constitute any recommendation to **Brookfield India Real Estate Trust** (or “the Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which these opinions have been expressed and is not recommended as an input to any financial decision.
  - b. It should be noted that the valuation is based upon the facts and evidence available at the time of conduct of the valuation and applicable on the date of valuation. It is therefore recommended that these valuations be periodically reviewed.
  - c. Changes in socio-economic and political conditions could result in a substantially different situation than those presented herein. The Valuer assumes no responsibility for changes in such external conditions.
  - d. The Valuer has relied on her own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
  - e. The services provided is limited to valuation of the Subject Property primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services or an independent validation of the projections. Accordingly, no opinion has been expressed on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
  - f. While the information included in the Report is accurate and reliable to the best of the knowledge of the Valuer, no representations, or warranties, expressed or implied, as to the completeness of such information is being made. The Valuer shall not undertake any obligation to update or supplement any information contained in the Report save as provided for in the Agreement.
  - g. Apart from the sources already mentioned in the report, the Valuer has relied on readily available public information for the purpose of preparing this report.
3. The Report reflects matters as they currently exist. Any changes thereon may materially affect the information contained in the Report.
4. All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited



information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates, and employees, must not use, reproduce, or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.