

# Brookfield

## India Real Estate Trust

### **BROOKFIELD INDIA REAL ESTATE TRUST**

*(Registered in the Republic of India as an irrevocable trust under the Indian Trusts Act, 1882 and as a real estate investment trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, having registration number IN/REIT/20-21/0004)*

**Principal Place of Business:** 1<sup>st</sup> Floor, Asset No. 8, Unit No. 101, Worldmark 2, Hospitality District Aerocity, IGI Airport, New Delhi-110037

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**BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED (IN ITS CAPACITY AS MANAGER TO BROOKFIELD INDIA REAL ESTATE TRUST (“BROOKFIELD INDIA REIT”)) HAS ISSUED THIS TRANSACTION DOCUMENT IN THE CONTEXT OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED, ON A VOLUNTARY BASIS TO THE UNITHOLDERS, IN RELATION TO THE ACQUISITION OF 50% OF THE SHARE CAPITAL (ON A FULLY DILUTED BASIS) OF ROSTRUM REALTY PRIVATE LIMITED (“TARGET ENTITY”) BY WAY OF ACQUISITION OF 50% OF THE SHARE CAPITAL FROM BHARTI (SBM) HOLDINGS PRIVATE LIMITED, BHARTI (RM) HOLDINGS PRIVATE LIMITED, BHARTI (RBM) HOLDINGS PRIVATE LIMITED, BHARTI (SATYA) TRUSTEES PRIVATE LIMITED AND BHARTI ENTERPRISES LIMITED (COLLECTIVELY THE “BHARTI GROUP”) FOR AN ACQUISITION PRICE OF ₹60,000 MILLION (THE “NORTH COMMERCIAL PORTFOLIO ACQUISITION”).**

**IN ADDITION, THIS TRANSACTION DOCUMENT SPECIFIES CERTAIN DETAILS OF A PREFERENTIAL ISSUE OF 40,930,000 UNITS OF BROOKFIELD INDIA REIT, TO THE BHARTI GROUP, WHICH IS PROPOSED TO BE UNDERTAKEN TO GIVE EFFECT TO THE NORTH COMMERCIAL PORTFOLIO ACQUISITION.**

**If you have sold or transferred all your Units, you should immediately forward this Transaction Document, together with the notice of the EM, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.**

**This Transaction Document and any of its contents do not provide for and should not be construed as any assurance or guarantee of returns or distributions to investors.**

**FINANCIAL ADVISOR TO BROOKFIELD INDIA REIT****Kotak Mahindra Capital Company Limited****LEGAL ADVISORS TO BROOKFIELD INDIA REIT**

Shardul Amarchand Mangaldas

**Shardul Amarchand Mangaldas & Co****Khaitan & Co**

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**THESE MATERIALS ARE NOT AN OFFER OF UNITS FOR SALE INTO THE UNITED STATES OR ANY OTHER JURISDICTION. ANY UNITS REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE**

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You should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that comparable results will be achieved, that an investment will be similar to the historic investments presented herein (because of economic conditions, the availability of investment opportunities or otherwise), that targeted returns, diversification or asset allocations will be met or that an investment strategy or investment objectives will be achieved. Nothing contained herein should be deemed to be a prediction or projection of future performance

This Transaction Document contains certain “forward looking statements”. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward-looking statements are made based on the Manager's current expectations or beliefs as well as assumptions made by, and information currently available to the Manager. By their nature, forward-looking statements involve risk

and uncertainty because they relate to events and depend on circumstances that will occur in the future. There may be additional material risks that are currently not considered to be material or of which Brookfield India REIT and any of its representatives are unaware. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements or information include but are not limited to: general economic conditions, changes in interest and exchange rates, availability of equity and debt financing and risks particular to underlying portfolio company investments. There is no guarantee that Brookfield India REIT will be able to successfully execute all or any future deals, projects or exit strategies, achieve leasing plans, secure debt or receive development approvals. Industry experts may disagree with the assumptions used in presenting the projected results. Any changes to assumptions could have a material impact on projections and actual returns. Actual returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein. Against the background of these uncertainties, readers should not rely on these forward-looking statements.

This Transaction Document is dated May 15, 2024.

PROGRAMME FOR EM OF UNITHOLDERS	
Cut-Off Date	June 7, 2024
Date and time of EM	June 14, 2024
Venue of EM	N.A.*
E-voting start time and date	Tuesday, June 11, 2024, 09:00 A.M. (IST)
E-voting end time and date	Thursday, June 13, 2024, 05:00 P.M. (IST)

*\*Meeting will be held through video-conferencing facility in accordance with the SEBI circular bearing reference no. SEBI/HO/DDHS/DDHS\_Div2/P/CIR/2023/13 dated January 12, 2023, on 'Facility of conducting meetings of unit holders of REITs through Video Conferencing or Other Audio-Visual means'.*

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**SECTION I****A. Basis of Presentation of Pro-forma Information, Industry and Market Data and Certain Other Information*****Financial Information******Pro-forma Metrics***

In this Transaction Document, Brookfield India REIT presents certain unaudited, pro-forma operational and financial metrics (the “**Pro-forma Metrics**”) as of and for the 12 months ended March 31, 2024, as adjusted to give effect to the North Commercial Portfolio Acquisition, as if it had occurred on January 1, 2024 (“**Acquisition Related Event**”).

The Pro-forma Metrics will vary in case any of the assumptions change, including any changes in the consideration for acquisition of the Target Assets on account of potential closing adjustments. The metrics of the entities/businesses being acquired have been computed on the same basis as the corresponding metrics of Brookfield India REIT as of/ for the 12 months ended March 31, 2024.

This Transaction Document, specifically the section titled “*Information regarding the Target Entity*”, comprises certain unaudited consolidated financial information of the Target Entity and the Target Subsidiaries as of and for the year ended March 31, 2024 which may be subject to change upon completion of audit, including changes relating to the constituent metrics on account of regrouping and presentation of such metrics. Unaudited consolidated financial information of the Target Entity includes financial information of the Target Subsidiaries as well.

Any metrics referred to in the Transaction Document (including the metrics set out below) in relation to the Pro-forma Portfolio will be deemed to be a part of the Pro-forma Metrics.

- Pro-forma NAV
- Pro-forma NDCF
- Pro-forma NDCF per unit
- Pro-forma Consolidated GAV
- Pro-forma LTV
- Pro-forma Operating Area

The Pro-forma Metrics (including Pro-forma Consolidated GAV) have been calculated assuming 100% stake in the Target Entity, unless otherwise specified. The methodologies used for calculating Pro-forma NDCF and Pro-forma

LTV, are in line with the methodologies used for calculating such metrics for the Current Portfolio for the quarter ended March 31, 2024.

The Pro-forma Metrics are presented for illustrative purposes only and do not purport to represent what the actual results of operations would have been if the events for which the adjustments were made had occurred on the dates assumed, nor does it purport to project the results of operations of Brookfield India REIT for any future period or its financial condition at any future date. The future operating results of Brookfield India REIT and the actual outcome of acquisitions of the Target Assets may differ materially from the pro forma amounts set out in this Transaction Document due to various factors, including changes in operating results. Further, the Pro-forma Metrics have not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934, as amended, U.S. GAAP, IFRS or Ind-AS. The resulting Pro-forma Metrics have not been audited or reviewed in accordance with U.S. GAAP, IFRS or Ind-AS.

The Pro-forma Metrics address hypothetical situations and do not represent actual consolidated financial condition of Brookfield India REIT, distributions or results of operations, and is not intended to be indicative of our future financial condition, distributions and results of operations. The adjustments set forth in the Pro-forma Metrics are based upon available information and assumptions that the Manager believes to be reasonable. The rules and regulations related to the preparation of pro-forma financial information in other jurisdictions may vary significantly from the basis of preparation for the pro-forma financial information. Accordingly, the Pro-forma Metrics should not be relied upon as if it has been prepared in accordance with those standards and practices.

Further, the Acquisition Related Event described above is subject to the completion of various conditions and there is no assurance that they will all be successfully completed. In case any of the Acquisition Related Event are not completed, the Pro-forma Metrics presented herein would be entirely incorrect.

Readers should note that a presentation of the Acquisition Related Event, on a pro-forma basis, should not be construed to mean that acquisitions of the Target Assets or the Acquisition Related Event will definitely occur, including as described in this Transaction Document.

It is clarified that SEBI has issued a circular dated December 6, 2023 on the 'Revised Framework for Computation of Net Distributable Cash Flow (NDCF) by Real Estate Investment Trusts (REITs)' pursuant to which the revised framework for computation of NDCF is applicable to us from April 1, 2024.

### ***Industry and Market Data***

Unless stated otherwise, industry and market data used in this Transaction Document is based on C&W Research and is confirmed by C&W, who has been engaged by the Manager.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified for

the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors.

The extent to which the market and industry data used in this Transaction Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of Brookfield India REIT is conducted, and methodologies and assumptions may vary widely among different industry sources.

### ***Certain Other Information***

Certain data contained in this Transaction Document, including financial information, has been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column, row or table may not conform exactly to the total figure given for that column, row or table, or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Certain information in this Transaction Document (in particular, the Pro-forma Metrics) has been presented to show the impact of the acquisitions of the Target Assets, for presentation purposes only.

All operating or financial metrics presented in this Transaction Document are as of/ for the 12 months ended March 31, 2024, unless otherwise indicated.

All figures corresponding to year denoted with "FY" are, as of or for the one-year period ending (as may be relevant) 31<sup>st</sup> March of the respective year. Similarly, all figures corresponding to year denoted with "CY" are, as of or for the one year period ending (as may be relevant) 31<sup>st</sup> December of the respective year. Unless specifically mentioned otherwise, any reference to year refers to CY and financial year to FY.

## B. Overview of the North Commercial Portfolio Acquisition

This summary is qualified in its entirety by, and should be read together with, the information included in other sections of this Transaction Document. See, in particular, the section titled “Information regarding the Target Entity”.

Particulars	Details
<b>Target Entity</b>	Rostrum Realty Private Limited
<b>Target Subsidiaries</b>	Wholly owned subsidiaries of the Target Entity, namely: (1) Armon Builders and Developers Limited; (2) Aspen Buildtech Limited, and (3) Oak Infrastructure Developers Limited that are engaged in the business of <i>inter alia</i> , owning, operating and managing, the respective Target Subsidiary Assets.
<b>Acquisition overview</b>	<p>Acquisition of 50% of the share capital (on a fully diluted basis) of the Target Entity from the Bharti Group. The Target Entity and the Target Subsidiaries own and operate fully operational Target Assets namely:</p> <p>(1) Worldmark Delhi, comprising leasehold rights over approximately 7.6 acres and completed towers namely Worldmark 1, 2 &amp; 3 in the Airport District of Delhi.</p> <p>(2) Airtel Center, comprising freehold land of approximately 4.6 acres which is Airtel’s corporate facility, located in the prime business district of Gurugram.</p> <p>(3) Worldmark Gurugram, comprising freehold land of approximately 6.7 acres which is a mixed-use complex in Gurugram’s secondary business district.</p> <p>(4) Pavilion Mall, comprising freehold land of approximately 2.5 acres is a prominent retail mall in Civil Lines, an established cluster of Ludhiana.</p>
<b>Selling Parties</b>	Bharti (SBM) Holdings Private Limited, Bharti (RM) Holdings Private Limited, Bharti (RBM) Holdings Private Limited, Bharti (Satya) Trustees Private Limited and Bharti Enterprises Limited
<b>Independent valuation</b>	₹65,041 million <sup>1</sup>
<b>Acquisition Price</b>	₹60,000 million
<b>Key Asset Information</b>	
Leasable Area (msf)	3.3
Operating Area(msf)	3.3
GAV <sup>1</sup> (Rs million)	₹ 65,041
<b>Operating Area Metrics</b>	
Leased Area (msf)	3.0
Committed Occupancy	91%
In-place Rent (psf/month)	₹ 140
WALE (years)	4.8
Number of Office Tenants	96

<sup>1</sup> Independent valuations undertaken by Ms. L. Anuradha. For the purpose of the valuation exercise, C&W has been hired as the independent property consultant to carry out industry and market research.

***Transaction Mechanics***

- We propose to undertake the North Commercial Portfolio Acquisition by acquiring 50% of the share capital of the Target Entity from the Bharti Group in accordance with the terms of the SPA.
- We propose to acquire the Sale Shares from the Bharti Group (*i.e.*, 32,848,620 Equity Shares)<sup>2</sup>, resulting in the acquisition of 50% of the share capital (on a fully diluted basis) of the Target Entity for a consideration of ₹ 12,279 million. The consideration is proposed to be financed through a Preferential Issue in accordance with applicable law.
- Brookfield India REIT will issue 40,930,000 units to the Bharti Group. Post the completion of the North Commercial Portfolio Acquisition, the Bharti Group will become the second largest unitholder of the Brookfield India REIT with an ownership stake of 8.53%, locked-in for one year in accordance with the SEBI Institutional Placement and Preferential Allotment Guidelines.
- Post completion of the North Commercial Portfolio Acquisition, pursuant to the terms of the SPA, the management and governance of the Target Entity will be governed in accordance with the SHA. For further details please see “*Key Terms of the Transaction Agreements - SHA*”.

For details of the above Acquisition, including key terms of the agreements, please see “*Key Terms of the Transaction Agreements*” below.

The North Commercial Portfolio Acquisition is subject to completion of certain conditions including a HSIIDC In-Principal Approval, intimation to a regulatory authority by the Target Entity, receipt of approval from Unitholders for the Preferential Issue, in-principle, final listing and trading approvals from the Stock Exchanges for the Preferential Issue of Units, to be undertaken in accordance with applicable law, as applicable.

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<sup>2</sup> Currently, the Bharti Group holds a 49% stake in the Target Entity (*i.e.*, 31,560,440 Equity Shares). Prior to the Closing (as defined in the SPA) of the North Commercial Portfolio Acquisition, the Bharti Group will subscribe to additional Equity Shares to hold 50% stake in the Target Entity (*i.e.*, 32,848,620 Equity Shares), which are proposed to be acquired by the Brookfield India REIT.

**C. Information regarding the Target Assets**

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# Brookfield India Real Estate Trust

**NORTH COMMERCIAL PORTFOLIO  
ACQUISITION PRESENTATION**

MAY 15, 2024

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By reading this presentation (the “Presentation”), you agree to be bound by the following limitations:

This presentation does not constitute a prospectus, placement document, offering circular or offering memorandum under the REIT regulations or any other applicable law in India or in any other jurisdiction. No offer or invitation or recommendation or solicitation or inducement is being made through this presentation to the unitholders or any other person within or outside India to buy or sell any units or securities including any units or securities of: (a) Brookfield India REIT; (b) the SPVs; (c) The Target Entity; (d) Target Subsidiaries (e) any sellers in relation to the transactions; (f) the sponsor or any of the subsidiaries of the sponsor or any member of the sponsor group; (g) the manager; or (h) the trustee. There is currently a single class of units and the units proposed to be issued in the institutional placement shall rank pari passu with the existing listed units.

Neither this presentation nor the units have been recommended or approved by the SEBI or any stock exchange in India nor does the SEBI or any stock exchange in India guarantee the accuracy or adequacy of the contents of this presentation.

If we should at any time commence an offering of units, debentures, or any other securities/ instruments of Brookfield India REIT, any decision to invest in any such offer to subscribe for or acquire units, debentures, or any other securities/ instruments of Brookfield India REIT, must be based wholly on the information contained in an offer document or offering circular (including the risk factors mentioned therein) issued or to be issued in connection with any such offer and not on the contents hereof. Any prospective investor investing in such invitation, offer or sale of securities by Brookfield India REIT should consult its own advisors before taking any decision in relation thereto.

These materials are not an offer of units for sale into the united states or any other jurisdiction. Any units referred to herein have not been and will not be registered under the US Securities act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of units is being made in India, the united states or any other jurisdiction.

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This Presentation contains certain “forward looking statements”. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward-looking statements are made based on the Manager's current expectations or beliefs as well as assumptions made by, and information currently available to the Manager. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There may be additional material risks that are currently not considered to be material or of which Brookfield India REIT and any of its representatives are unaware. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements or information include but are not limited to: general economic conditions, changes in interest and exchange rates, availability of equity and debt financing and risks particular to underlying portfolio company investments. There is no guarantee that Brookfield India REIT will be able to successfully execute all or any future deals, projects or exit strategies, achieve leasing plans, secure debt or receive development approvals. Industry experts may disagree with the assumptions used in presenting the projected results. Any changes to assumptions could have a material impact on projections and actual returns. Actual returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein. Against the background of these uncertainties, readers should not rely on these forward-looking statements.

Any changes to assumptions could have a material impact on projections and actual returns. Actual returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein.

In considering investment performance information contained herein, you should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that comparable results will be achieved, that an investment will be similar to the historic investments presented herein (because of economic conditions, the availability of investment opportunities or otherwise), that targeted returns, diversification or asset allocations will be met or that an investment strategy or investment objectives will be achieved. Any information regarding prior investment activities and returns contained herein has not been calculated using generally accepted accounting principles and has not been audited or verified by an auditor or any independent party. Nothing contained herein should be deemed to be a prediction or projection of future performance.

Certain of the information contained herein is based on or derived from information provided by independent third party sources. While we believe that such information is accurate as of the date it was produced and that the sources from which such information has been obtained are reliable, we do not guarantee the accuracy or completeness of such information, and has not independently verified such information or the assumptions on which such information is based. This document is subject to the assumptions (if any) and notes contained herein.

The information in this Presentation does not take into account your investment objectives, financial situation or particular needs and nothing contained herein should be construed as legal, business or tax advice. Each prospective investor should consult its own attorney, business adviser and tax advisor as to legal, business, tax and related matters concerning the information contained herein.

# Acquisition of a High-Quality Commercial Portfolio

Dominant grade A properties in Delhi-NCR, designed and built to high specifications



## KEY PORTFOLIO METRICS

GAV

Rs 65,041 Million

ACQUISITION PRICE

Rs 60,000 Million

OPERATING AREA

3.3 MSF

COMMITTED OCCUPANCY

91%

IN-PLACE RENT

Rs 140 PSF

WALE

4.8 Years

(1) Built on leasehold land with 42 years remaining term (sub-leased from Delhi International Airport Limited).

# Transaction Summary

Brookfield India REIT has signed binding agreements to acquire a 50%<sup>(1)</sup> stake in a 3.3 MSF commercial portfolio, primarily located in Delhi-NCR, from Bharti Group for a total consideration of Rs c.12,280 Million, which will be discharged through a preferential issue<sup>(2)</sup> to Bharti Group at Rs 300 per unit

## 1 Portfolio Overview

- Acquisition of 50% interest in high quality 3.3 MSF fully operating portfolio (“**Target Assets**”) comprising of:
  - i. Worldmark Delhi (62% GAV): 1.5 MSF, best-in-class property in Delhi leased to marquee tenants
  - ii. Airtel Center (19% GAV): 0.7 MSF, build to suit property for Bharti Airtel Limited in Gurugram CBD
  - iii. Worldmark Gurugram (15% GAV): 0.8 MSF, recently built mixed-use asset in Gurugram SBD
  - iv. Pavilion Mall (4% GAV): 0.4 MSF, dominant retail mall in Ludhiana, Punjab

## 2 Key Deal Terms

- Acquisition Price: Rs 60,000 Million on a 100% ownership basis, implying 8.4% / 9.3% cap rate on FY2025 / FY2026 NOI<sup>(3)</sup>
- Equity Consideration: Rs 12,279 Million for 50% stake; consideration will be discharged through a preferential allotment of 40.93 Million units to the Bharti Group, at Rs 300 per unit
- Aligned Partner: Brookfield Group will continue to own the remaining stake that it purchased in March 2022; Brookfield India REIT will have a ROFO to acquire the 50% stake and consolidate to 100% ownership<sup>(4)</sup>
- Cornerstone Unitholder: Bharti Group, a large diversified conglomerate, will become second largest unitholder in Brookfield India REIT with an ownership stake of 8.53% locked-in for 1 year
- Airtel Center Leases: Bharti Airtel Limited will provide 2-year fresh lock-in till Apr 30, 2026. SPV that owns Airtel Center has a backstop on 100% rentals from Bharti Realty Ltd. till Mar 31, 2028

## 3 Key Benefits

- Scale: The transaction will increase the Operating Area by 16% and Consolidated GAV by 22%
- Diversification: The transaction will also reduce the top 5 tenant concentration to 24%, while increasing the share of Commercial/IT Park assets from 34% to 46% (as % of Consolidated GAV)
- Accretion: The transaction is expected to increase the NDCF per unit by 1.1% and NAV by 0.9%

Note: This document has to be read along with “Definitions” of the Transaction Document. All operating and financial metrics presented in this document are as of / for the twelve months ended March 31, 2024, unless otherwise indicated. For the purpose of presentation of Pro-forma Information, operating and financial metrics for the Target Assets are considered on a 100% basis, unless otherwise indicated. This investment will be recorded as “Equity Accounted Investment” in the consolidated financial statements

(1) Currently Bharti Group owns 49% stake in the Target Assets; prior to Acquisition of the Target Assets by Brookfield India REIT, Bharti Group will subscribe to additional stake to achieve 50% ownership in the Target Assets.

(2) Preferential Issue is subject to Unitholder approval.

(3) Based on NOI estimate in the independent valuation done by L.Anuradha, an IBBI registered valuer.

(4) ROFO to commence from Apr'26 upon expiry of Brookfield Group's regulatory lock-in.

# Preferential Issue

The consideration to Bharti Group will be discharged through a preferential issue<sup>(1)</sup> at Rs 300 per unit, leading to 8.53% Post Acquisition stake in Brookfield India REIT

## PREFERENTIAL ISSUE TERMS

ISSUE SIZE

Rs 12,279 Million

ISSUE PRICE <sup>(1)</sup>

Rs 300 per unit

PREMIUM TO FLOOR PRICE<sup>(2)</sup>

18.5%

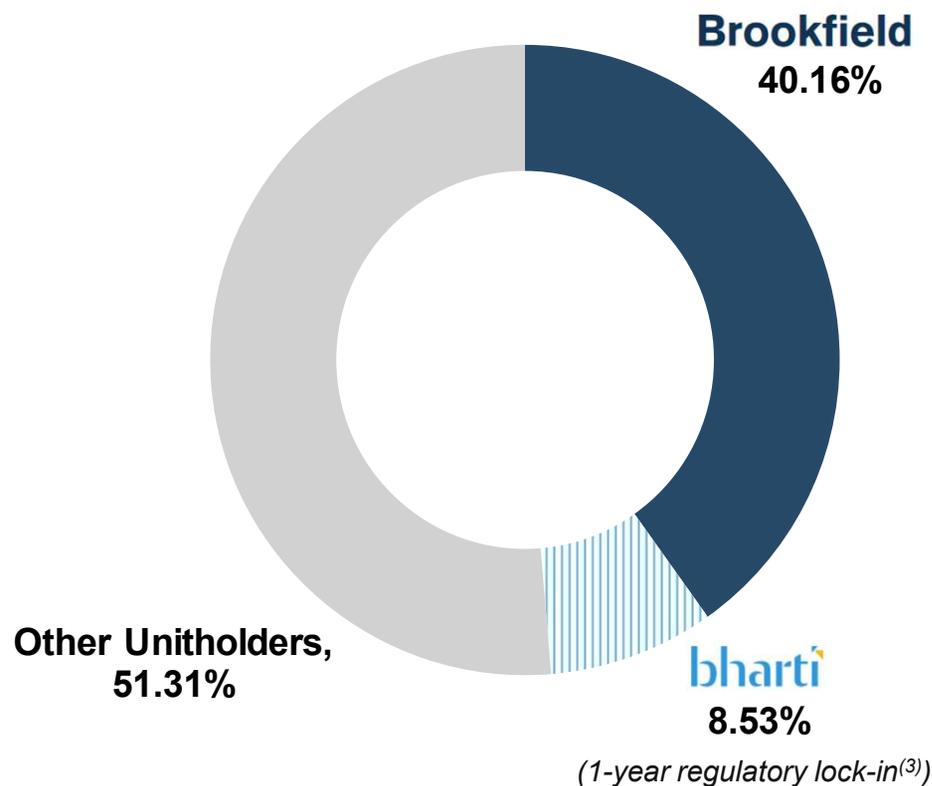
# UNITS TO BE ISSUED

40.93 Million

DATE OF UNITHOLDER MEETING

June 14, 2024

## POST-ISSUE UNITHOLDING



(1) Preferential issue is subject to Unitholder approval.

(2) Floor price of Rs 253.16 per unit is calculated based on the SEBI guidelines governing pricing of preferential issuance.

(3) 1 year lock-in to be from allotment date for the units.

# Addition of Complementary Properties

Highly occupied modern assets with marquee front office tenancy

Asset	Operating Area (in MSF)	Leased Area (in MSF)	Committed Occupancy (%)	WALE (Yrs.)	In-place Rent (Rs PSF)	GAV <sup>(1)</sup> (Rs Billion)
Worldmark Delhi	1.5	1.3	90%	4.0	Rs 202	Rs 40
Airtel Center <sup>(2)</sup>	0.7	0.7	100%	4.0	115	12
Worldmark Gurugram	0.8	0.6	86%	7.4	87	10
Pavilion Mall	0.4	0.3	87%	4.2	56	3
<b>Target Assets (100%)</b>	<b>3.3</b>	<b>3.0</b>	<b>91%</b>	<b>4.8</b>	<b>Rs 140</b>	<b>Rs 65</b>

## MARQUEE FRONT OFFICE TENANCY



Ernst & Young



PHILIPS

Sumitomo Corporation

HITACHI  
Inspire the Next

TERUMO

Brookfield  
Properties

COWRKS

HALLIBURTON

(1) Based on the independent valuation by L.Anuradha, an IBBI registered valuer, on a 100% basis.

(2) Airtel Center is 100% leased to Bharti Airtel Limited and its affiliates. As a condition precedent to Brookfield India REIT's acquisition, Bharti Airtel Limited will provide 2-year fresh lock-in till April 30, 2026. SPV that owns Airtel Center has a backstop on 100% rental from Bharti Realty Ltd. till 31st March 2028.

# New Acquisition | Increased Scale

The acquisition will increase Consolidated GAV by 22% and Economic Occupancy by 50 bps

	At IPO (Mar-21)	CURRENT PORTFOLIO	PRO-FORMA PORTFOLIO	
<b>CONSOLIDATED GAV</b>	Rs 115 B	Rs 292 B	Rs 357 B	
<b>LTV<sup>(1)</sup></b>	18.1%	34.3%	35.6%	
<b>OPERATING AREA</b>	10.3 MSF	20.9 MSF	24.2 MSF	
<b>ECONOMIC OCCUPANCY <sup>(2)</sup></b>	87%	87%	88%	
<b>IN-PLACE RENT (PSF / MONTH)</b>	Rs 65 PSF	Rs 84 PSF	Rs 92 PSF	
<b>WALE</b>	6.5 Yrs.	4.8 Yrs.	7.2 Yrs.	
<b>SHARE OF TOP 5 TENANTS</b>	59%	29%	24%	

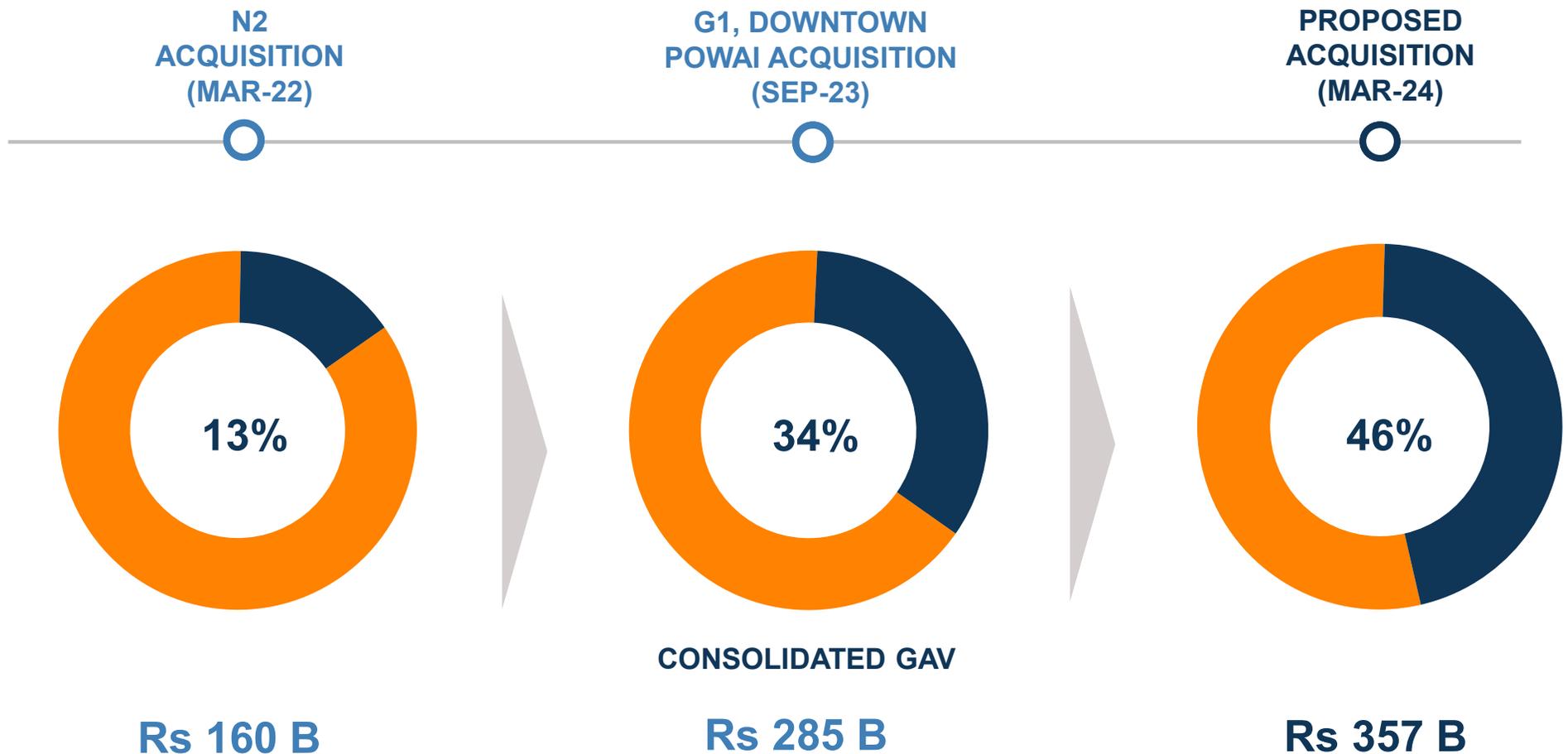
(1) Calculated using third party external borrowings (excluding GIC shareholder instruments). In Pro-forma Portfolio we have considered stake adjusted (50%) value of Target Assets and Debt. Consolidated LTV for current and Pro-forma portfolio shall be 38.3% and 39.2% respectively.

(2) Economic Occupancy denotes Effective Economic Occupancy and is inclusive of Income Support.

# Enhanced Diversification | Improving Product Mix

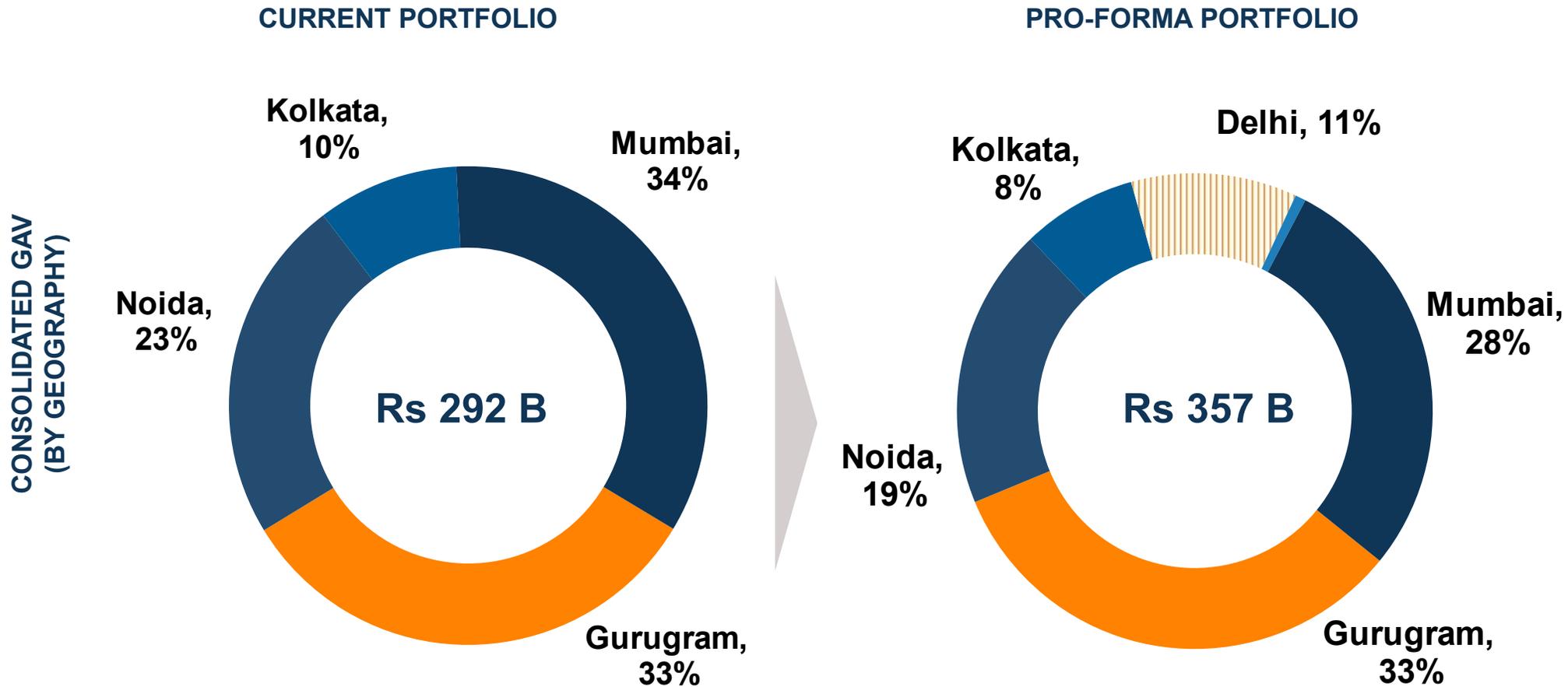
Addition of North Commercial Portfolio will improve the share of commercial / IT parks (as % of Consolidated GAV) from 34% to 46%

## COMMERCIAL / IT PARKS (% OF CONSOLIDATED GAV)



# Enhanced Diversification | Entering Delhi

Acquisition will mark entry for Brookfield India REIT in Delhi with a prime front office asset

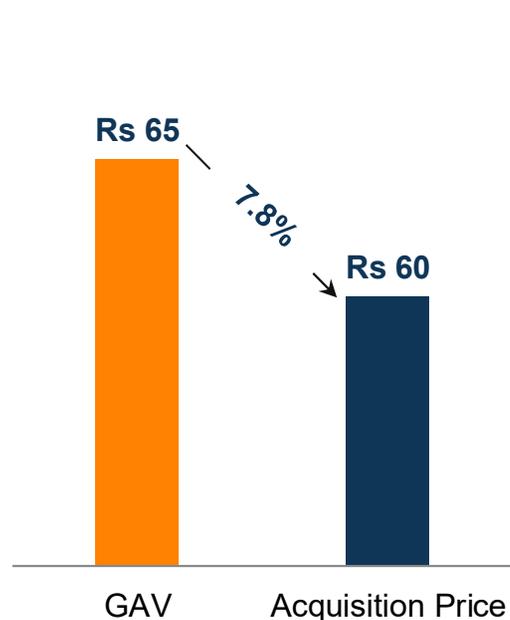


# Accretive Acquisition

Acquisition is at 7.8% discount to GAV<sup>(1)</sup> and is expected to result in 1.1% NDCF accretion

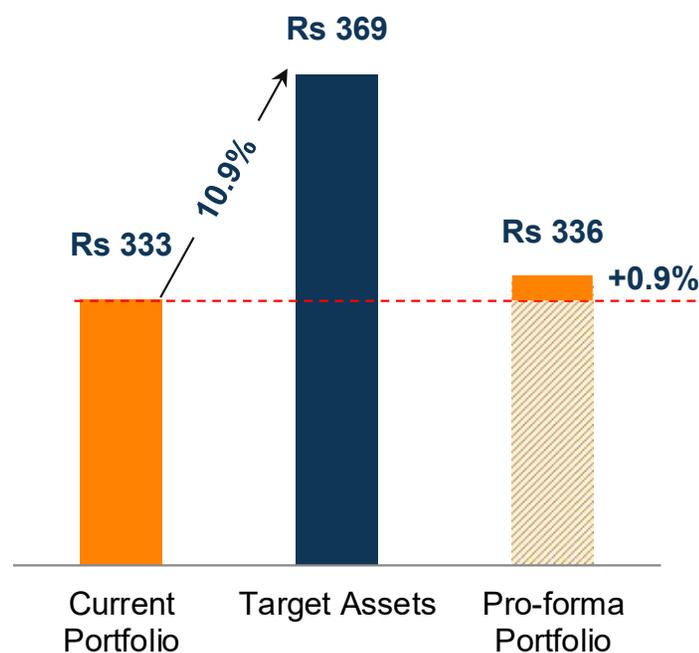
## DISCOUNT TO GAV<sup>(1)</sup>

Rs Billion



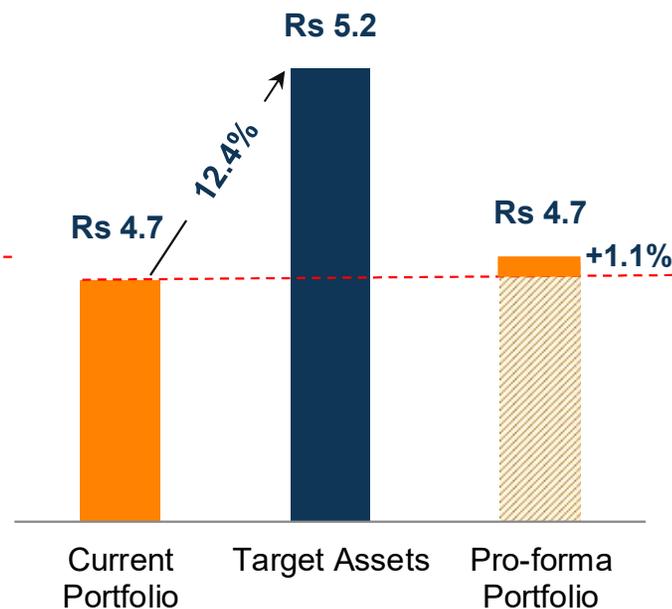
## NAV ACCRETION<sup>(2)</sup>

Rs per unit



## NDCF ACCRETION<sup>(2,3)</sup>

Rs per unit / quarter



(1) Based on the independent valuation by L.Anuradha, an IBBI registered valuer.

(2) Both NDCF & NAV computed at 50% for Target Assets.

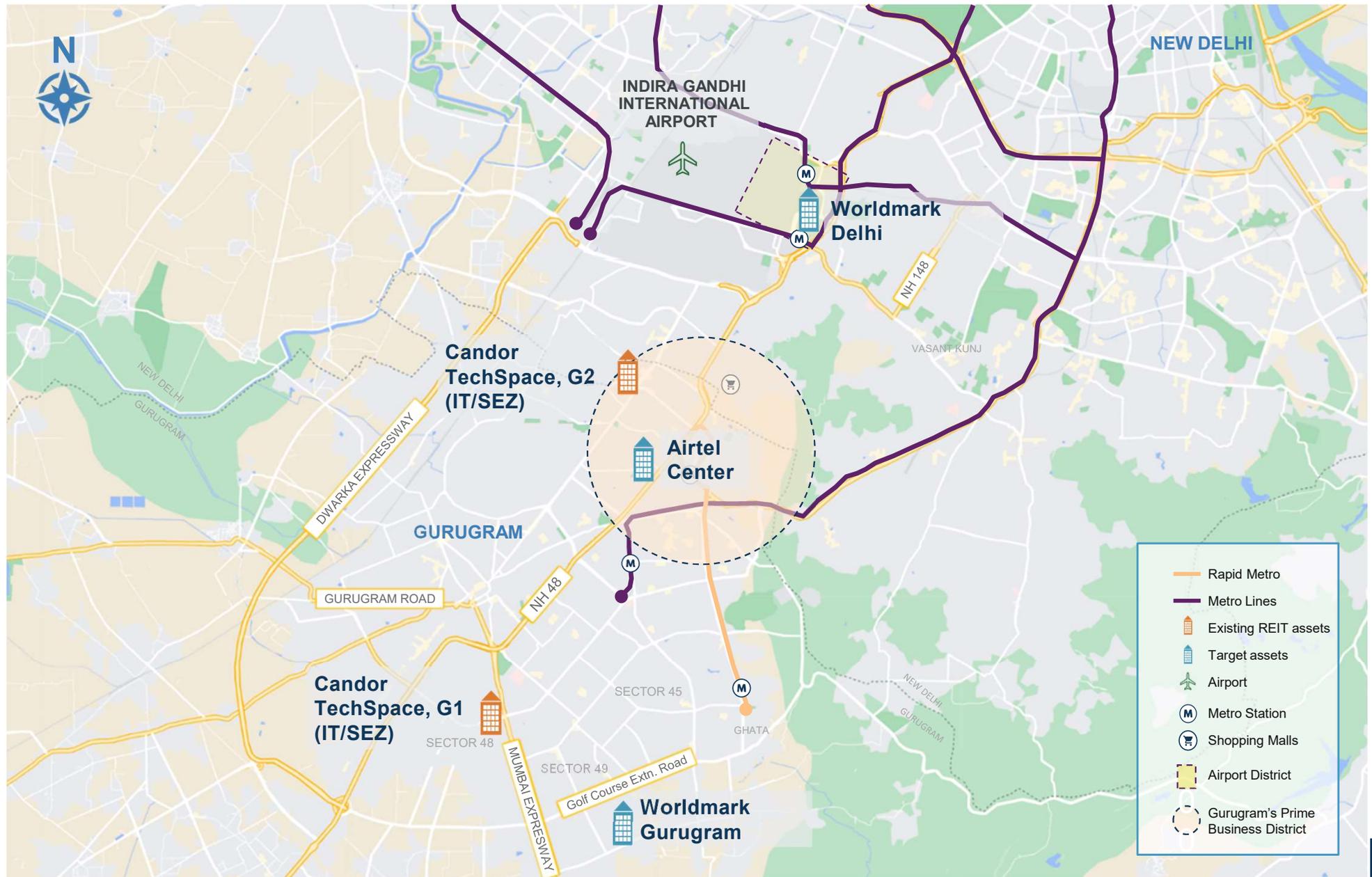
(3) For Q4FY24.



North Commercial Portfolio Information

# Furthering our Presence in Delhi NCR

Assets located in established office micro-markets, with excellent connectivity and best-in-class infrastructure



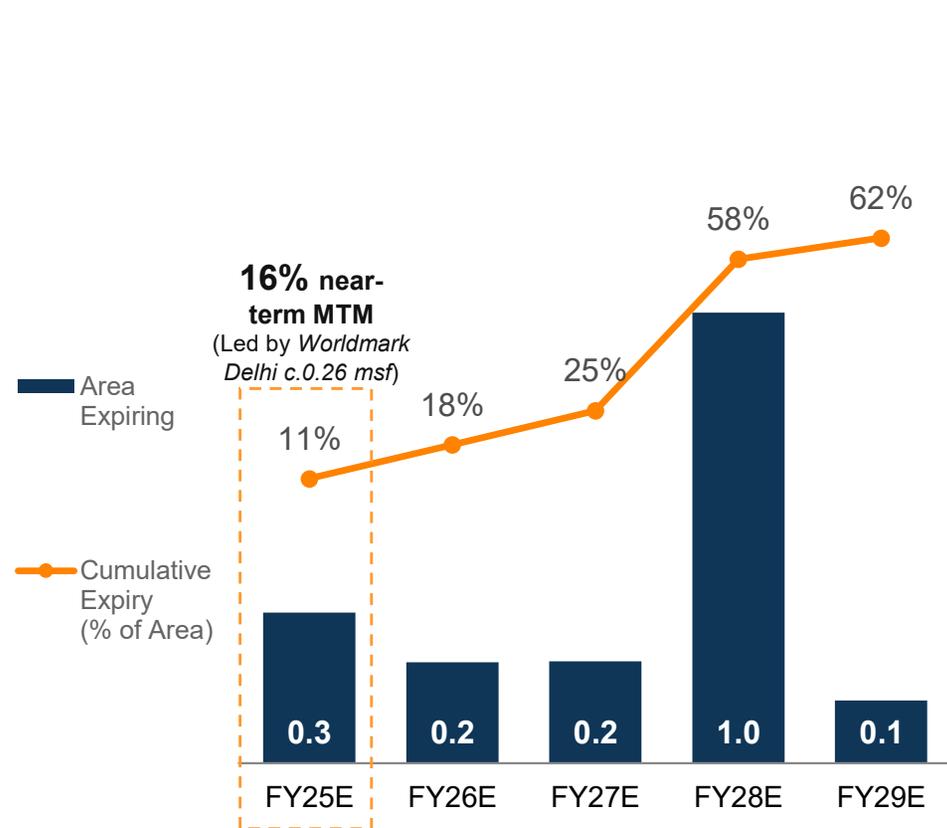
# Marquee Tenant Roster

High quality tenancy profile comprising of marquee MNC front offices / headquarters

## TOP 10 TENANTS

Tenant	Industry	% Gross Contracted Rentals	% Leased Area
 <b>airtel</b>	Telecom	18%	20%
<b>Ernst &amp; Young</b>	Consulting	4%	3%
 <b>MITSUI &amp; CO.</b>	Industrials	3%	2%
 <b>COWRKS</b>	Real Estate and Infrastructure	3%	2%
 <b>SAEL</b> SUSTAINABLE & AFFORDABLE ENERGY FOR LIFE	Energy	3%	2%
 <b>Greenlam LAMINATES</b>	Industrials	2%	1%
<b>Brookfield Properties</b>	Real Estate and Infrastructure	2%	1%
<b>Member of World Bank Group</b>	BFSI	2%	1%
<b>Leading Japanese Bank</b>	BFSI	2%	1%
<b>European Aerospace Giant</b>	Aerospace	2%	1%
<b>Total</b>		<b>41%</b>	<b>35%</b>

## LEASE ROLLOVER PROFILE



In-place rent at expiration <sup>(1)</sup> (Rs psf/month)	147	182	162	142	116
Cumulative Expiry <sup>(2)</sup>	12%	22%	32%	62%	67%

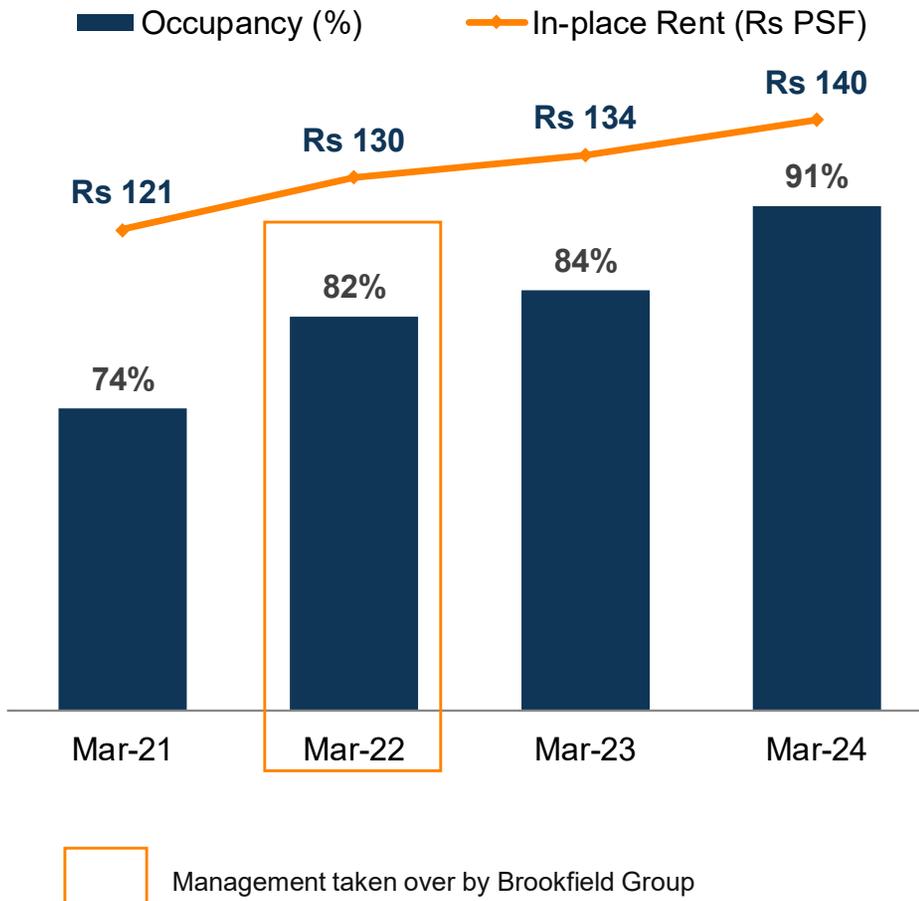
(1) Includes office and retail areas excluding managed office suites (c.49,000 SF).

(2) % of Gross Contracted Rentals.

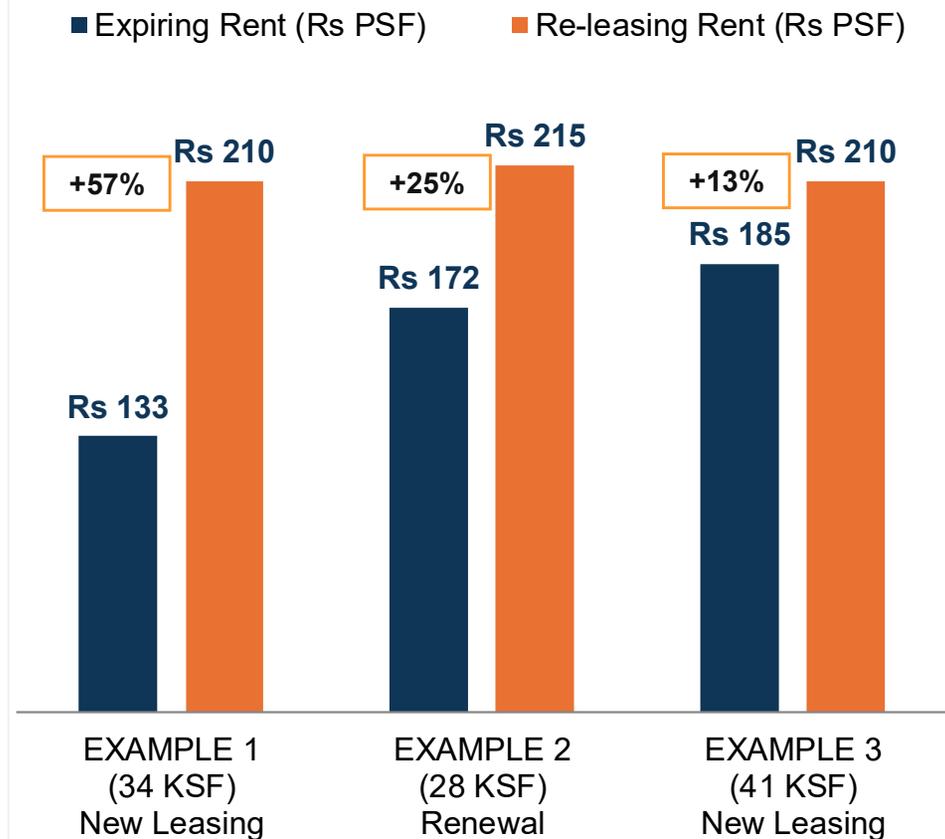
# Strong Operating Track Record

Under Brookfield Group's ownership and management, the Target Assets have seen strong pick-up in leasing volumes and rents

## OPERATING PERFORMANCE



## MARK-TO-MARKET EXAMPLES – WORLDMARK DELHI



ESG program across the Target Assets has undergone a significant transformation under Brookfield Group’s ownership and management

**+10%**

Improvement achieved in energy use intensity post transition

**c.25%**

Renewable power in Worldmark Delhi

**ZERO**

Single use plastics in common areas

**100%**

Onsite reuse of treated water

## AWARDS & RECOGNITION



LEED GOLD<sup>(1)</sup>



5S DIAMOND RATING<sup>1</sup>



BEE 5 STAR RATING



ISO 9001 (QUALITY) ,  
ISO 14001 (ENVIRONMENT)  
ISO 45001 (HEALTH & SAFETY) CERTIFIED

**100%**

Organic waste composted on-site

**100%**

Climate risk assessments completed for portfolio

## IN PROGRESS



UNIVERSAL ACCESSIBILITY



IGBC

EXISTING BUILDING (O&M)



IGBC

NET ZERO WASTE

(1) For Airtel Center Only.

# Acquisition Price Summary

Acquisition is priced at an attractive cap rate of 8.4% / 9.3% cap rate (based on FY2025 / FY2026 NOI<sup>(1)</sup>)

Rs Millions	AMOUNT	PSF
<b>Acquisition Price</b>	<b>Rs 60,000</b>	<b>Rs 18,250</b>
GAV <sup>(1)</sup>	Rs 65,041	Rs 19,783
<b>Discount to GAV</b>	<b>7.8%</b>	
FY 2025E NOI <sup>(1)</sup>	Rs 5,036	
FY 2026E NOI <sup>(1)</sup>	Rs 5,568	
<b>FY 2025E NOI Yield (at 95.3% committed occupancy) (at Acquisition Price)</b>	<b>8.4%</b>	
<b>FY 2026E NOI Yield (at 97.6% committed occupancy) (at Acquisition Price)</b>	<b>9.3%</b>	

(1) GAV / NOI estimate based on the independent valuation by L.Anuradha, an IBBI registered valuer.

(2) Based on NOI estimate.

# NDCF Accretion

Rs Millions, except per unit data

Q4-FY2024 Remarks

Reported Net Operating Income (NOI)	Rs 1,147	• OLR run rate <sup>(1)</sup> of Rs 5,026 million per annum (3.3 MSF X Rs 140 PSF X 12 Months X 91% Occupancy)
Debt Financing, Working Capital, and Others	44	• Working capital, G&A expenses; Net debt drawdown for capital expenditure and leasing commissions
Interest cost on External Debt	(673)	• Interest cost on post acquisition debt at 8.65% <sup>(2)</sup>
Capital Expenditure	(85)	• Capital expenditures and leasing commissions
<b>NDCF (SPV)</b>	<b>Rs 433</b>	
<b>NDCF (SPV 50%)</b>	<b>Rs 217</b>	<b>Computed at 50% stake</b>
REIT Management Fees	(2)	
<b>NDCF (Brookfield India REIT)</b>	<b>Rs 214</b>	

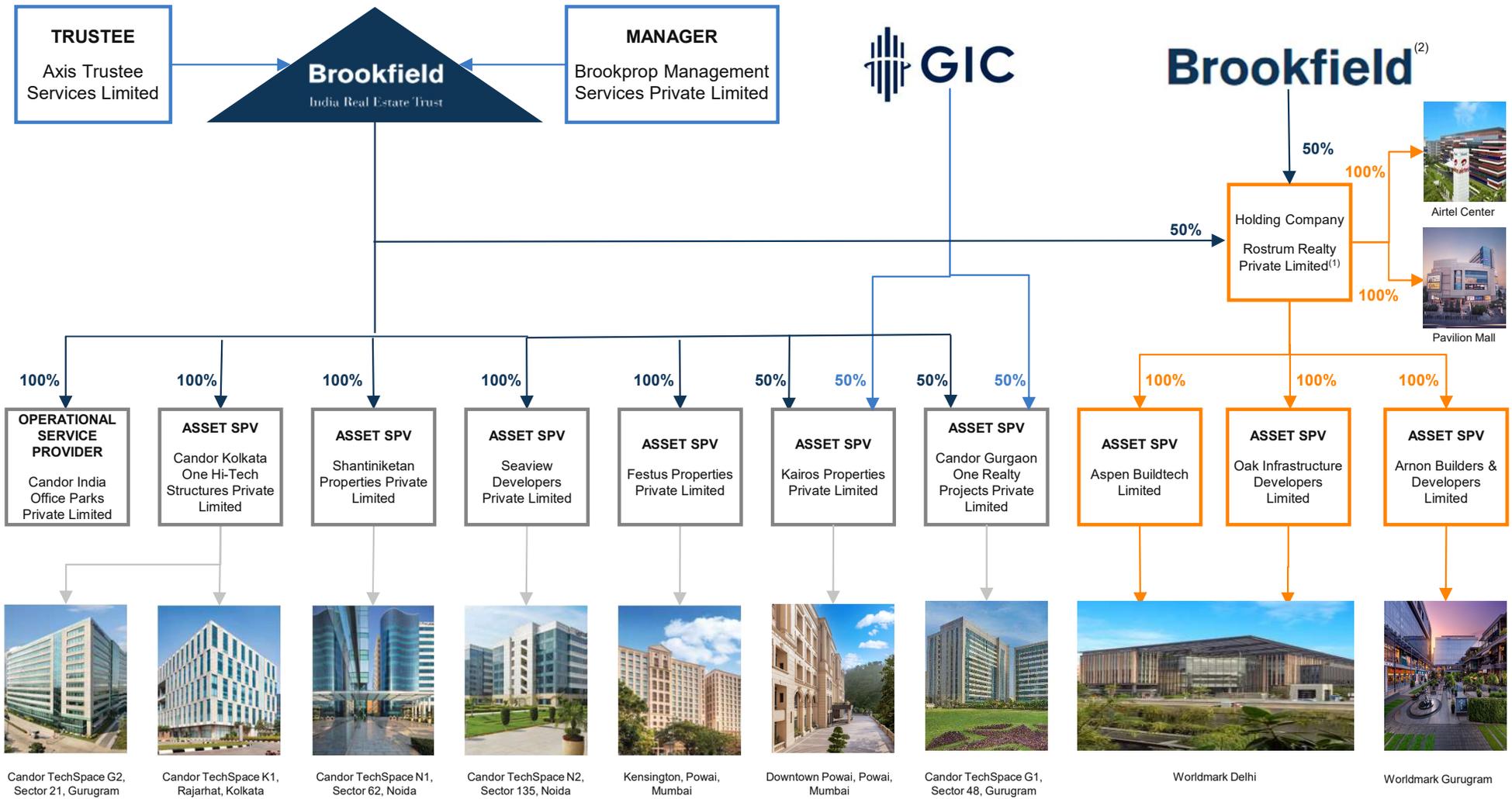


ACCRETION ANALYSIS (PER UNIT)	Current Portfolio	North Commercial Portfolio	Pro-forma Portfolio	% Accretion
NDCF (Rs Millions)	Rs 2,046	Rs 214	Rs 2,261	
# of Units O/S	439	40.9	480	
<b>NDCF PER UNIT</b>	<b>Rs 4.66</b>	<b>Rs 5.24</b>	<b>Rs 4.71</b>	<b>+1.1%</b>

(1) Based on the operating metrics as on March 31, 2024.

(2) Based on the indicative terms received from existing lenders. Brookfield India REIT will look to further optimize cost of financing.

# Holding Structure (Post Acquisition)



— Brookfield India REIT  
— GIC  
— North Commercial Portfolio Holding Entity

(1) Two of the portfolio assets Airtel Center & Pavilion Mall are held by Rostrum Realty Private Limited.  
(2) Held by Brookfield Group.

# Basis of Presentation of Pro-forma and Certain Other Information

## **Pro-forma Metrics**

In this Transaction Document, Brookfield India REIT presents certain unaudited, pro-forma operational and financial metrics (the “Pro-forma Metrics”) as of and for the 12 months ended March 31, 2024, as adjusted to give effect to the North Commercial Portfolio Acquisition, as if it had occurred on January 1, 2024 (“Acquisition Related Event”).

The Pro-forma Metrics will vary in case any of the assumptions change, including any changes in the consideration for acquisition of the Target Assets on account of potential closing adjustments. The metrics of the entities/ businesses being acquired have been computed on the same basis as the corresponding metrics of Brookfield India REIT as of/ for the 12 months ended March 31, 2024.

This Transaction Document, specifically the section titled “Information regarding the Target Entity”, comprises certain unaudited consolidated financial information of the Target Entity and the Target Subsidiaries as of and for the year ended March 31, 2024 which may be subject to change upon completion of audit, including changes relating to the constituent metrics on account of regrouping and presentation of such metrics. Unaudited consolidated financial information of the Target Entity includes financial information of the Target Subsidiaries as well.

Any metrics referred to in the Transaction Document (including the metrics set out below) in relation to the Pro-forma Portfolio will be deemed to be a part of the Pro-forma Metrics.

- Pro-forma NAV
- Pro-forma NDCF
- Pro-forma NDCF per unit
- Pro-forma Consolidated GAV
- Pro-forma LTV
- Pro-forma Operating Area

The Pro-forma Metrics (including Pro-forma Consolidated GAV) have been calculated assuming 100% stake in the Target Entity, unless otherwise specified. The methodologies used for calculating Pro-forma NDCF and Pro-forma LTV, are in line with the methodologies used for calculating such metrics for the Current Portfolio for the quarter ending March 31, 2024.

The Pro-forma Metrics are presented for illustrative purposes only and do not purport to represent what the actual results of operations would have been if the events for which the adjustments were made had occurred on the dates assumed, nor does it purport to project the results of operations of Brookfield India REIT for any future period or its financial condition at any future date. The future operating results of Brookfield India REIT and the actual outcome of acquisitions of the Target Assets may differ materially from the pro forma amounts set out in this Transaction Document due to various factors, including changes in operating results. Further, the Pro-forma Metrics have not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934, as amended, U.S. GAAP, IFRS or Ind-AS. The resulting Pro-forma Metrics have not been audited or reviewed in accordance with U.S. GAAP, IFRS or Ind-AS.

The Pro-forma Metrics address hypothetical situations and do not represent actual consolidated financial condition of Brookfield India REIT, distributions or results of operations, and is not intended to be indicative of our future financial condition, distributions and results of operations. The adjustments set forth in the Pro-forma Metrics are based upon available information and assumptions that the Manager believes to be reasonable. The rules and regulations related to the preparation of pro-forma financial information in other jurisdictions may vary significantly from the basis of preparation for the pro-forma financial information. Accordingly, the Pro-forma Metrics should not be relied upon as if it has been prepared in accordance with those standards and practices.

Further, the Acquisition Related Event described above is subject to the completion of various conditions and there is no assurance that they will all be successfully completed. In case any of the Acquisition Related Event are not completed, the Pro-forma Metrics presented herein would be entirely incorrect.

Readers should note that a presentation of the Acquisition Related Event, on a pro-forma basis, should not be construed to mean that acquisitions of the Target Assets or the Acquisition Related Event will definitely occur, including as described in this Transaction Document.

It is clarified that SEBI has issued a circular dated December 6, 2023 on the ‘Revised Framework for Computation of Net Distributable Cash Flow (NDCF) by Real Estate Investment Trusts (REITs)’ pursuant to which the revised framework for computation of NDCF is applicable to us from April 1, 2024.

## **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Transaction Document is based on C&W Research and is confirmed by C&W, who has been engaged by the Manager.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. The data used in these sources may have been re-classified for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors.

The extent to which the market and industry data used in this Transaction Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of Brookfield India REIT is conducted, and methodologies and assumptions may vary widely among different industry sources.

## **Certain Other Information**

Certain data contained in this Transaction Document, including financial information, has been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column, row or table may not conform exactly to the total figure given for that column, row or table, or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Certain information in this Transaction Document (in particular, the Pro-forma Metrics) has been presented to show the impact of the acquisitions of the Target Assets, for presentation purposes only.

All operating or financial metrics presented in this Transaction Document are as of/ for the 12 months ended March 31, 2024, unless otherwise indicated.

All figures corresponding to year denoted with “FY” are, as of or for the one-year period ending (as may be relevant) 31st March of the respective year. Similarly, all figures corresponding to year denoted with “CY” are, as of or for the one-year period ending (as may be relevant) 31st December of the respective year. Unless specifically mentioned otherwise, any reference to year refers to CY and financial year to FY.

**D. Overview of the Proposed Resolutions**

The Manager is seeking approval from the Unitholders for the resolution set out below:

***Approval under Regulation 22(6) of the REIT Regulations***

The following resolution is required to be passed by way of special majority (i.e., where the votes cast in favour of the resolution are required to be not less than one-and-a-half times the votes cast against the resolution):

- **Resolution:** To consider and approve the issuance of Units through a Preferential Issue to the Bharti Group towards payment of the purchase consideration for the North Commercial Portfolio Acquisition.

The Preferential Issue is not a related party transaction.

**E. Recommendations for Unitholder Approval*****Preferential Issue***

Based on the information set out in this Transaction Document, which has been issued by the Manager on a voluntary basis to the Unitholders, the Manager believes that undertaking the proposed Preferential Issue to give effect to the North Commercial Portfolio Acquisition would be consistent with the investment objectives and strategy of Brookfield India REIT and in the best interests of the Unitholders.

*Accordingly, the Manager recommends that the Unitholders vote at the EM in favour of the resolution to approve the Preferential Issue.*

**SECTION II****A. Information about Brookfield India REIT**

We are India's only institutionally managed public commercial real estate vehicle. Sponsored by an affiliate of Brookfield, whose asset management business is one of the world's largest alternative asset managers with over US\$900 billion in assets under management, as of March 31, 2024. Our goal is to be the leading owner of high-quality income producing commercial real estate assets in key gateway Indian markets, which have significant barriers to entry.

As of March 31, 2024, we own a Current Portfolio of six large campus-format office parks, which we believe are "business-critical" to our occupiers, and are located in some of India's key gateway markets – Mumbai, Gurugram, Noida and Kolkata. Our Portfolio totals 25.5 msf, comprising 20.9 msf of Operating Area, 0.6 msf of Under Construction Area and 4.0 msf of Future Development Potential.

Our Current Portfolio's Operating Area has an Effective Economic Occupancy of 87% (and Committed Occupancy of 82%) and is leased to marquee multi-national corporations such as Tata Consultancy Services, Accenture, Cognizant, Samsung, RBS among others. While a 7.6 year WALE provides stability to the cash flows of our Current Portfolio, we are well positioned to achieve further organic growth through a combination of contractual lease escalations, 13% Mark-to-Market headroom to In-place Rents and lease-up of Vacant Areas. Our Current Portfolio is significantly complete and stable with 96% of the GAV in operating properties.

We adopt strong corporate governance practices, and 50% of the Board comprises of independent directors. Additionally, we maintain protocols that are aimed at protecting the interests of the Unitholders, including maintaining low levels of leverage, simple fee structure and stringent oversight on related party transactions.

***Key Business Highlights since IPO***

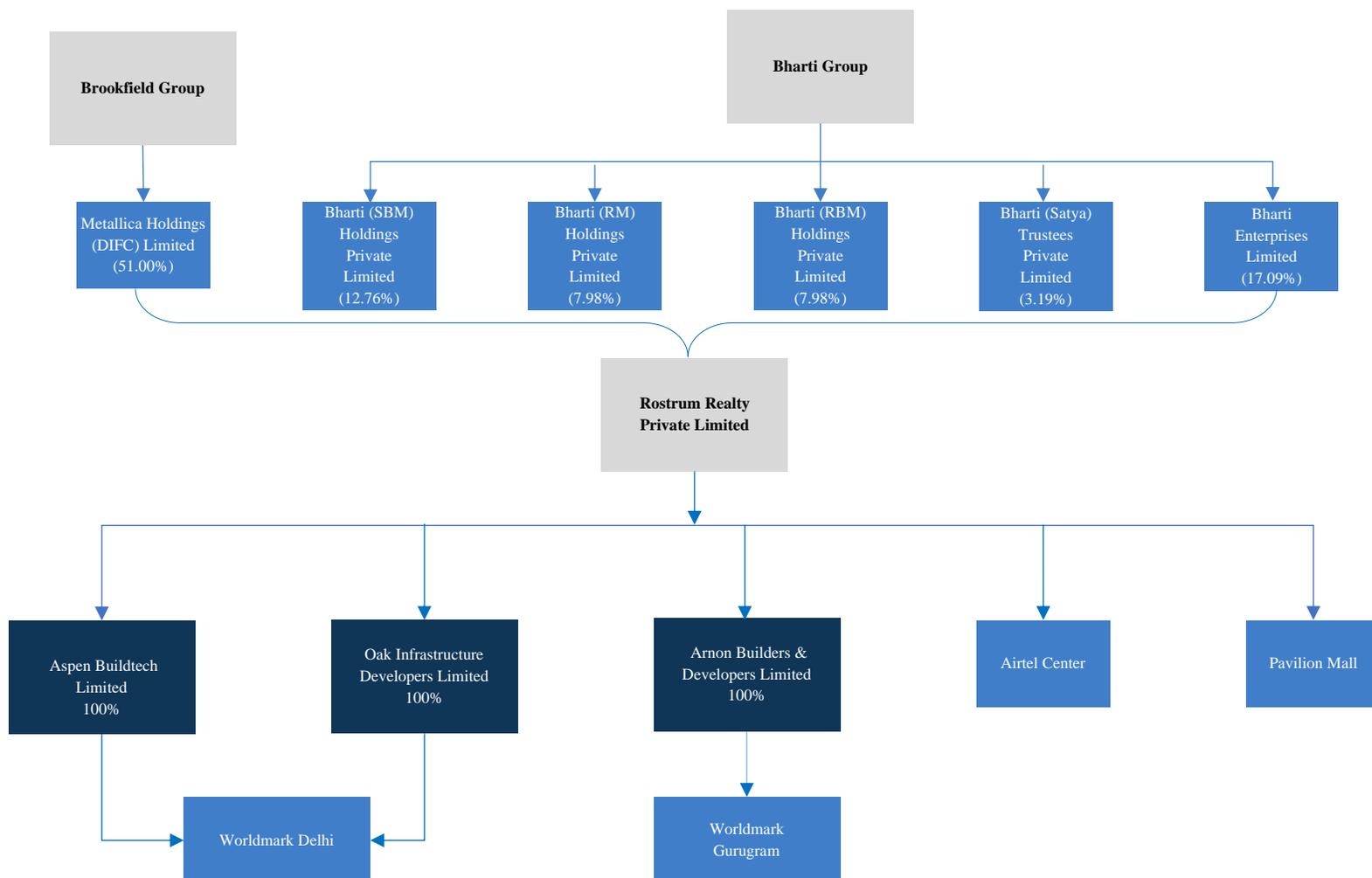
- Distributed ₹60.05 per unit, aggregating to ₹21,370 million.
- Achieved gross leasing of 6.88 msf including 3.99 msf of new leasing and 2.57 msf of renewals.
- Enhanced the scale of Brookfield India REIT through acquisition of Candor TechSpace N2, a 4.58 msf campus-style corporate park in Noida, in January 2022. Further increased the scale of Brookfield India REIT, through the acquisitions of Candor TechSpace G1 and Downtown Powai in August 2023, in an equal, strategic partnership with GIC.
- Achieved 8.45% average escalation on 13.73 msf Leased Area.
- Leased and renewed 2.81 msf in FY24, with an 82% Committed Occupancy and 87% Effective Economic Occupancy as of March 31, 2024.

- Achieved a 5-star rating in both our first and second years of Global Real Estate Sustainability Benchmark (“**GRESB**”) submissions for FY22 and FY23.
- Outperformed the GRESB global averages across all criteria, scoring 100% in social and governance categories.
- Advanced our net-zero target to 2040 or earlier.

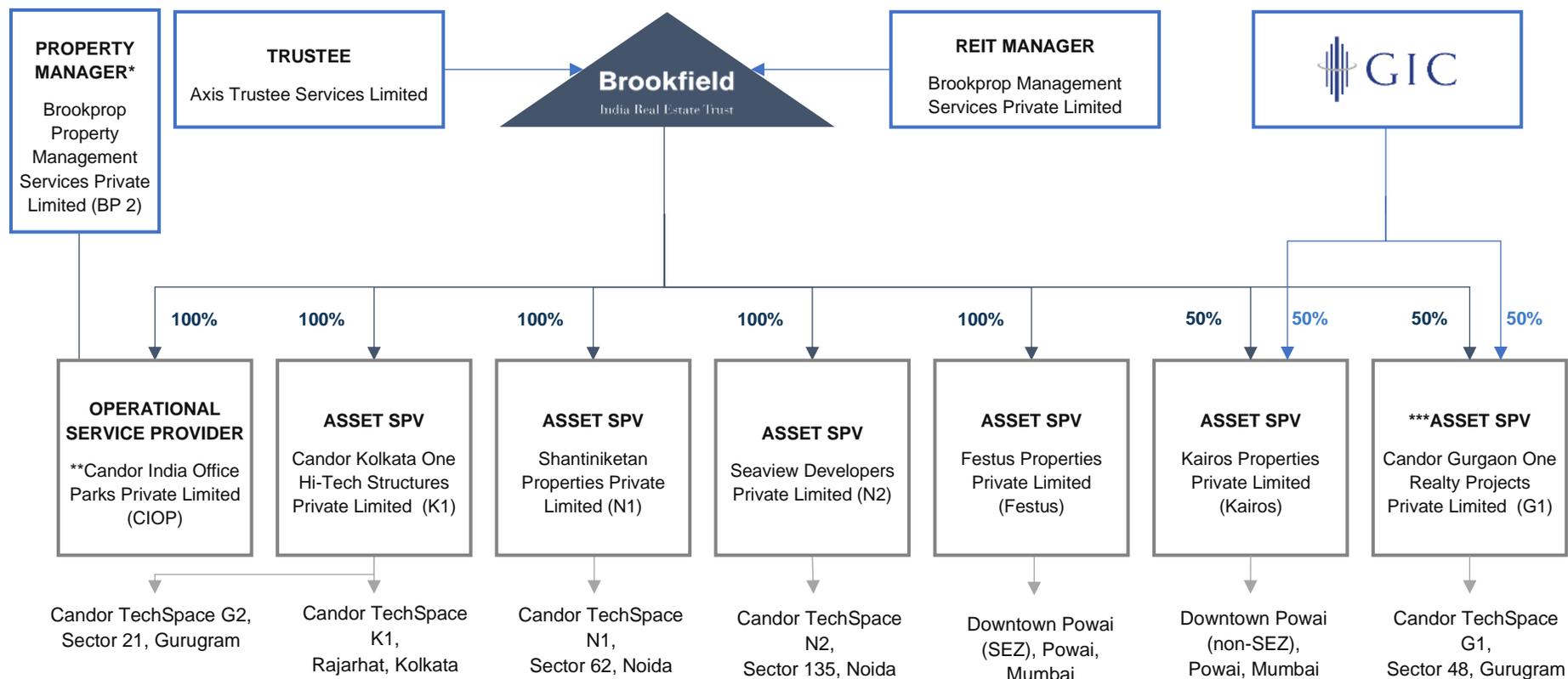
## SECTION III

### A. Structure of North Commercial Portfolio Acquisition

The charts below show the current structure of the Target Entity, current structure of Brookfield India REIT prior to Proposed Acquisition and the structure of Brookfield India REIT post the North Commercial Portfolio Acquisition:



## Brookfield India REIT structure prior to the North Commercial Portfolio Acquisition

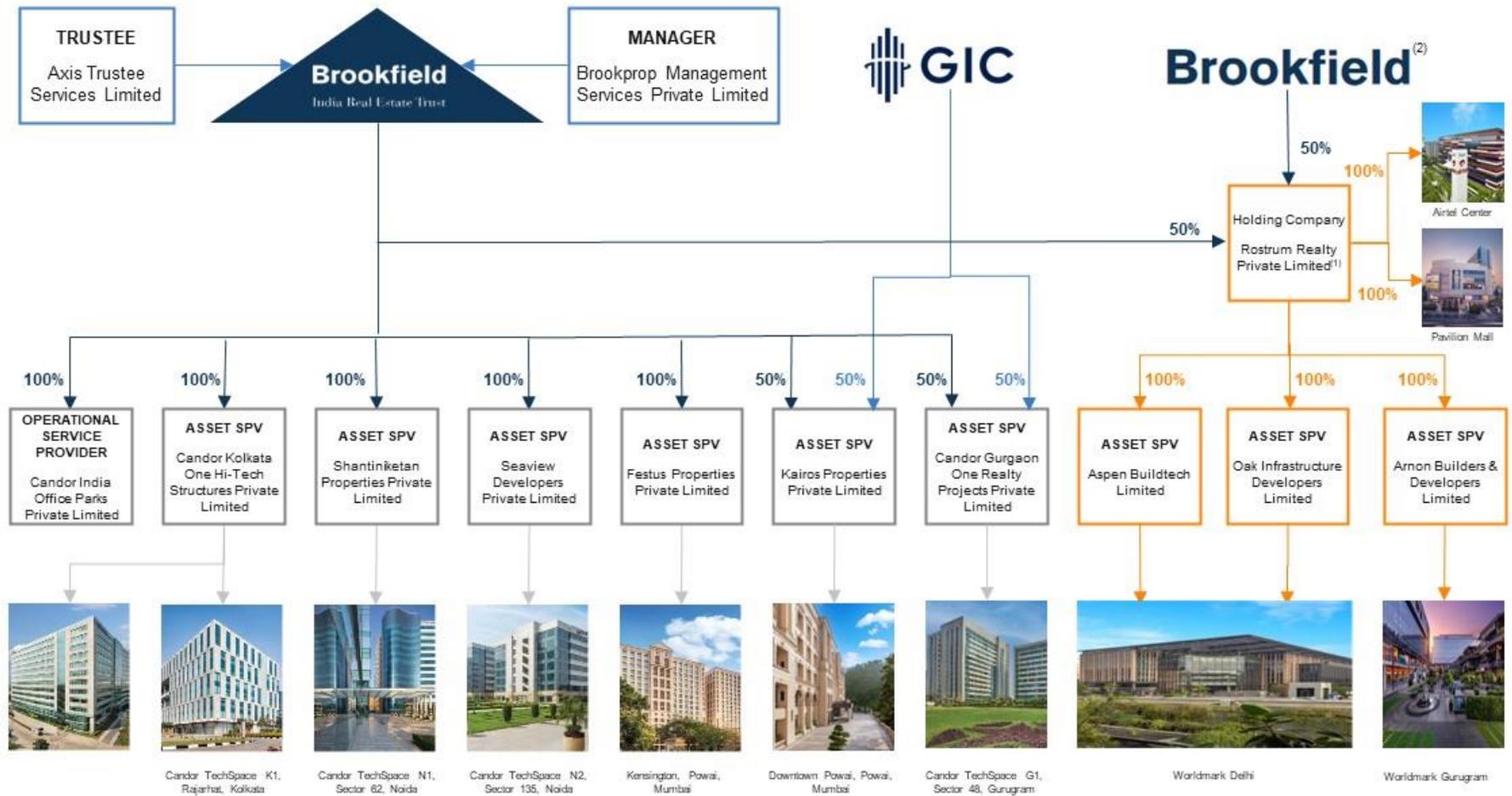


\* BP 2 is a property manager and provides property management services to CIOP, Festus and Mountainstar India Office Parks Private Limited (MIOP). BP2 is part of the Brookfield Group but is not owned by Brookfield India REIT and is only a property manager for REIT owned companies directly (in case of Festus) or through CIOP/MIOP. BP 2 also provides property management and other services to other Brookfield Group companies in India which are not part of Brookfield India REIT.

\*\* CIOP is a property manager and provides property management services to K1, N1, N2 and Kairos. CIOP is 100% owned by Brookfield India REIT

\*\*\* MIOP is property manager and provides property management services to G1. MIOP is part of the Brookfield Group but is not owned by Brookfield India REIT

## Brookfield India REIT structure post the North Commercial Portfolio Acquisition



(1) Two of the portfolio assets Airtel Center & Pavilion Mall are held by Rostrum Realty Private Limited.

(2) Held by Brookfield Group.

**B. Valuation of the Target Assets**

The tables below show the Acquisition Price calculation based on the valuation of the Target Assets as provided by the independent Valuer:

Rs. Million	Independent Valuation		
Asset	MSF	(₹ million) <sup>(1)</sup>	PSF
Operating Area	3.29	65,041	19,783
Under Construction Area	NA	NA	NA
<b>Total</b>	<b>3.29</b>	<b>65,041</b>	<b>19,796</b>
<b>Acquisition Price</b>		<b>60,000</b>	<b>18,250</b>
<b>Discount %</b>		<b>7.8</b>	

Footnotes:

- (1) Independent valuation undertaken by Ms. L. Anuradha. For the purpose of the valuation exercise, C&W has been hired as the independent property consultant to carry out industry and market research.

***Valuation Methodology***

The valuation have been conducted in accordance with the RICS Valuation – Global Standards 2022 and in compliance with the International Valuation Standards (IVS). The valuation of the Target Assets, both completed as well as under construction components, has been arrived at through the Discounted Cash Flow Method. The Discounted Cash Flow Method considers the present value of net cash flows to be generated from the respective properties, considering the expected rental growth rate, vacancy period, occupancy rate, average sq. ft. rent and lease incentive costs. The expected net cash flows are discounted using the risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs. secondary), tenant credit quality, lease terms and investors expected return.

For further details, please see the section “*Valuation Reports*” below.

**C. Key Terms of the Transaction Agreements****I. SPA**

Brookfield India REIT (acting through the Manager), the Bharti Group and the Target Entity have entered into a securities purchase agreement dated May 15, 2024 (“SPA”) for the acquisition of the Sale Shares by Brookfield India REIT which shall constitute 50% of the share capital of the Target Entity on a fully diluted basis.

Sale Shares

Sale Shares means a total of 32,848,620 Equity Shares held by the Bharti Group (including the Bharti Group members that jointly hold the Equity Shares with certain individual shareholders, as described under the SPA), proposed to be swapped with 40,930,000 Units allotted by way of a Preferential Issue to Bharti Group. Presently, the Bharti Group holds 31,560,440 Equity Shares. Prior to the Closing (as defined in the SPA), the Bharti Group will subscribe to additional Equity Shares to hold a total of 32,848,620 Equity Shares, which are proposed to be acquired by Brookfield India REIT.

Purchase Consideration

The purchase consideration to acquire 50% of the share capital of the Target Entity (on a fully diluted basis) shall be paid by Brookfield India REIT by way of a Preferential Issue of 40,930,000 Units to Bharti Group, at ₹300 per unit aggregating to a total purchase consideration of ₹ 12,279,000,000.

Standstill Conditions

The Target Entity has agreed to (and cause the Target Subsidiaries to, as relevant) conduct all its business in the ordinary course and to not undertake the following activities, among others, for the period between the execution date until the earlier of ‘Closing’ under the SPA or its termination: (i) take reasonable steps to materially preserve the assets and records of the business, and maintain adequate insurance coverage in the ordinary course of business, (ii) take reasonable steps to maintain all governmental approvals which are material to carry on the business, in the ordinary course of business, (iii) take all actions necessary to give effect to the transactions contemplated under the transaction documents, or (iv) not declare any dividends, distribute any profits and/or make any distributions on its equity securities, whether by way of cash or otherwise, for the quarter ending March 31, 2024.

Conditions to the North Commercial Portfolio Acquisition

The obligation of Brookfield India REIT to acquire the Sale Shares and the obligation of the Bharti Group to sell such Sale Shares, is conditional upon the completion (unless waived) of certain conditions precedent including, *inter alia* (i) Brookfield India REIT having received necessary approval from the Unitholders for the Preferential Issue; and in-principle, final listing and trading approvals from the Stock Exchanges for the Preferential Issue of Units; (ii) the Bharti Group having obtained an in-principal approval from Haryana State Industrial and Infrastructure Development Corporation Limited for the North Commercial Portfolio Acquisition (“**HSIIDC In-Principal Approval**”) to the

reasonable satisfaction of Brookfield India REIT; and (iii) the Target Entity having provided an intimation to a regulatory authority, as required.

### Closing

The SPA sets out closing actions for the subscription of the Equity Shares to Bharti Enterprises Limited and the transfer of the Sale Shares.

### Representations and Warranties

The Bharti Group have given certain customary representations and warranties under the SPA, including in relation to the title held by the Bharti Group in the Sale Shares.

### Indemnification

Brookfield India REIT and the Bharti Group shall be indemnified for certain breaches of the SPA by the Bharti Group and these indemnities are subject to monetary and time-period limitations that have been mutually agreed between the Bharti Group and Brookfield India REIT.

### Termination of SPA

The Closing under the SPA shall occur upon completion of the conditions by the Bharti Group (sellers) and Brookfield India REIT (purchaser), to the satisfaction of the respective parties and in the manner set out in the SPA.

The SPA may be terminated (i) by mutual consent of Brookfield India REIT and the Bharti Group in writing; (ii) at the option of Brookfield India REIT, (a) upon occurrence of a Material Adverse Effect (as defined in the SPA); (b) upon the occurrence of certain specified events as prescribed in the SPA that occur prior to the Execution Date (as defined in the SPA), which however comes to the knowledge of Brookfield India REIT post the Execution Date; (c) at the option of the Bharti Group, by written notice to the other parties to the SPA by Bharti Group upon occurrence of a Material Adverse Effect; and / or (d) in the event the Closing (as defined in the SPA) does not occur on or before the Long Stop Date (as defined in the SPA) for any reason whatsoever, then automatically, upon expiry of the Long Stop Date.

## **II. SHA**

“**SHA**” means the amended and restated shareholders’ agreement (being in agreed form) proposed to be executed on the Closing Date (as defined in the SPA) between Brookfield India REIT, Brookfield Metallica and the Target Entity and includes any amendments, addendums or supplemental agreements or documents as may be entered into by each of the parties in writing.

“**SHA Letter Agreement**” means the letter agreement dated May 15, 2014 executed between Brookfield India REIT, Brookfield Metallica and the Target Entity.

Pursuant to the SPA and the SHA Letter Agreement, Brookfield India REIT, Brookfield Metallica and the Target Entity, propose to enter into the SHA on the Closing Date (as defined in the SPA) to record their *inter-se* rights and obligations as shareholders of the Target Entity and the terms of management and governance of the Target Entity and the Target Subsidiaries, which provisions shall become effective on and from its execution (“**Effective Date**”).

The key terms of the SHA are as follows:

- (a) *Board Composition:* The board of directors of the Target Entity (“**Board**”) shall comprise a total of 4 directors or such other number of directors as may be mutually agreed to in writing between Brookfield India REIT and Brookfield Metallica. Each of Brookfield India REIT and Brookfield Metallica shall have the right to nominate 2 (Two) directors on the Board. Provided that in the event the Target Entity is required to appoint individuals as directors who qualify as independent directors under the Companies Act, 2013, then the Board size / composition shall be increased and Brookfield India REIT shall, at all times, have the right to appoint majority of the directors on the Board. Notwithstanding the above, if there is a change in the aggregate shareholding of Brookfield Metallica or Brookfield India REIT in the Target Entity, then the composition of the Board is modified proportionately, as prescribed in further detail in the SHA. Further, the committees of the Target Entity are required to be constituted in the same proportion as the board of the Target Entities. Each of Brookfield India REIT and Brookfield Metallica are entitled to quorum rights for the meetings of the Board, committee and shareholder meetings.
- (b) *Management, development and operations:* Each of Brookfield Metallica and Brookfield India REIT shall on behalf of the Target Entity, *mutually* agree and appoint Brookprop Property Management Services Private Limited as the property manager of the Target Entities in accordance with the terms of the Property Management Agreement. For details of the Property Management Agreement. For details of the Property Management Agreement, see “- *Property Management Agreement*” above.
- (c) *Consent Matters:* The SHA sets out a list of decisions to be taken up by the Target Entity at a meeting of the Board or shareholders only with the prior written consent of both BIRET and Brookfield Metallica, so long as the aggregate shareholding of Brookfield India REIT and Brookfield Metallica respectively is higher than the thresholds prescribed under the SHA. The matters which require such affirmative consent include protective rights customary to transactions of this nature and include, amongst others: (i) entering into any scheme of arrangement involving the Target Entity including mergers, demergers, spin-offs, etc. other than any internal group restructuring within the Target Entities / Target Subsidiaries; (ii) amendment of the charter documents of the Target Entity; (iii) entering into related party transactions; (iv) any negative deviations to the annual business plan by more than 3% in relation to target rental on new leasing, capital expenditure, and operating expenditure; and/ or (v) availing any financial indebtedness, other than which is within the leverage parameter.

The SHA provides for a mechanism for shareholder resolution in the event there is a refusal or failure of either shareholder to grant consent for certain reserved matters (“**Deadlock**”). In the event the Deadlock is not resolved, there will be status quo in the functioning of the Target Entity.

- (d) *Terms applicable mutatis mutandis to the Target Subsidiaries:* All rights available to Brookfield Metallica and Brookfield India REIT under Clause 5 (Board of Directors), Clause 6 (Meetings of the Board), Clause 7 (Shareholders’ Meeting), Clause 8 (Consent Matters) and Clause 9 (Deadlock) of the SHA, applicable at the Target Entity level shall apply mutatis mutandis to the Target Subsidiaries and all future subsidiaries of the Target Entity.
- (e) *Compliance with REIT Regulations:* As long as the Target Entity is eligible to qualify as a “HoldCo.” or “SPV” of Brookfield India REIT, as such terms are understood under the provisions of Regulation 18(4), read with Regulation 18(3A) of the REIT Regulations (or their equivalent) as presently written and as may be amended or updated from time to time, the parties to the SHA have undertaken that notwithstanding anything to the contrary, they agree that they will not exercise any of their rights under the SHA in a manner that would prevent Brookfield India REIT or the Target Entity from complying with the provisions of the REIT Regulations. In case of any inconsistency between the obligations of Brookfield India REIT under the SHA and the REIT Regulations, the latter shall prevail.
- (f) *Transfer restrictions:*
  - (i) Other than as expressly provided under the SHA, until the expiry of (A) the regulatory lock-in being 3 (Three) years from the date of Brookfield Metallica’s acquisition of its Equity Shares i.e., April 28, 2026 (“**Brookfield Lock-in**”) or such other period as prescribed under Applicable Law, Brookfield Metallica shall not; and (B) the regulatory lock-in being 3 (Three) years from the Closing Date or such other period as prescribed under the REIT Regulations (“**BIRET Lock-in**”), Brookfield India REIT shall not, transfer directly or indirectly, any of their respective Equity Shares to any person.
  - (ii) ROFO: After completion of the Brookfield Lock-in, Brookfield India REIT has a right of first offer in the event Brookfield Metallica propose to transfer any of its shares in the Target Entity to a third party; and after completion of the BIRET Lock-in, Brookfield Metallica has a right of first offer in the event Brookfield India REIT proposes to transfer any of its shares in the Target Entity to a third party, each in accordance with the terms and conditions as set out in the SHA.
  - (iii) Tag Along Right: After completion of the respective lock-in periods as set out above, in the event either of the shareholders propose to transfer any of their shares in the Target Entity to a third party

then, such transfers shall be subject to the right of first offer as set out above, and a tag along right available to the other shareholder, in accordance with the terms and conditions as set out in the SHA, provided that if Brookfield Metallica is the transferring shareholder then, solely on account of the BIRET Lock-In applicable to Brookfield India REIT under Applicable Law, Brookfield India REIT shall only be able to exercise its Tag Along Right after the expiry of the BIRET Lock-In.

- (iv) The SHA also provides for certain other rights and obligations of the shareholders of the Target Entity which include, Brookfield Metallica's right to require Brookfield India REIT to, at any time post the expiry of the BIRET Lock-in, transfer all the Equity Shares held by BIRET along with all the Equity Shares held by Brookfield Metallica to a third party (specified sale) at (A) at a price per equity share that is mutually agreed between Brookfield Metallica and Brookfield India REIT in writing at that point in time; and (B) on the same terms and conditions.
- (g) *Event of Default and Call options:* The following events have been identified as events of default under the SHA *inter alia:* (i) breach of certain provisions of the SHA by a shareholder or its affiliates (as defined in the SHA) in relation to, among other things: (A) compliance with anti-corruption and anti-money laundering laws, (B) transfer restrictions; (ii) occurrence of an insolvency event of a shareholder; or (iii) any fraud in relation to the Target Entity, its subsidiaries or the business by the shareholders or their affiliates (as defined in the SHA) which has not been cured, if it is capable of being remedied.

Upon the occurrence of an event of default, which has not been cured within the timelines mentioned in the SHA, (I) the rights of the defaulting party under the SHA shall terminate without any further action from any party; (II) all transfer restrictions on the Equity Shares held by the non-defaulting party shall fall away and the non-defaulting party shall be entitled to freely transfer up to all of the Equity Shares held by it to any person, and may freely assign all or any of its rights under the SHA; (III) the non-defaulting party shall be entitled to require any or all of the directors nominated by the defaulting party to resign from the Board; (IV) the non-defaulting shareholder has, at its discretion the right (but not the obligation), to require the defaulting party to sell to the non-defaulting party (and/or its nominee) all (and not less than all) of the Equity Shares held by the defaulting party and/or its affiliates at (x) 10% (Ten Percent) discount to the fair market value with respect to the Equity Shares, in case of an event of default pertaining to occurrence of an insolvency event; or (y) 25% (Twenty Five Percent) discount to the fair market value with respect to the Equity Shares, in case of any other event of default by sending a written notice to the defaulting party; and/ or (V) cause the Specified Sale at a mutually agreed price.

- (h) *Information and Inspection Rights:* The shareholders of the Target Entity are entitled to receive, among others: (i) the draft financial statements and the annual financial statements within the statutory prescribed timeline from the end of each financial year, (ii) the report of the auditor and the board of directors, (iii) a

quarterly report / MIS of the Target Entities with respect to the Business (*as defined in the SHA*) and a trial balance in respect of each of the Target Entities within 30 (Thirty) days from the end of each quarter (v) any such information as may be required to enable Brookfield Metallica or Brookfield India REIT and/or their respective Affiliates to comply with relevant Tax or other filing requirements in India or any other jurisdictions, and (vi) information with respect to the commencement of any material proceedings within the timelines prescribed in the SHA, as applicable. Additionally, the shareholders are also entitled to certain inspection rights under the SHA.

- (i) *Termination of the SHA*: The SHA may be terminated (i) by mutual consent of the parties in writing; (ii) with respect to a shareholder, with immediate effect upon such shareholder and its affiliates ceasing to hold any shares in the Target Entity, (iii) immediately upon Equity Shares of the Target Entity being listed on a recognised stock exchange, or (iv) automatically, upon any part transfer of Equity Shares by Brookfield India REIT or the Brookfield Metallica, as the case may be, in favour of a third party in accordance with the SHA, provided that such termination will not affect the rights and obligations of any person who has acquired Equity Shares or who has been assigned certain rights in accordance with the SHA.

### III. *Property Management Agreement*

“**PMA Letter Agreement**” means the letter agreement dated May 15, 20214 executed between the Target Entity, Property Manager and the Target Subsidiaries.

Brookprop Property Management Services Private Limited (“**Property Manager**”), the Target Entity and the Target Subsidiaries propose to enter into the property management agreement (being in agreed form) (“**Property Management Agreement**”) on the Closing Date (as defined in the SPA), under which the Target Entity shall appoint the Property Manager to undertake the management of the Target Assets and the administration of the Target Companies’ functions, in accordance with the terms of the Property Management Agreement.

The key terms of the Property Management Agreement are set out below:

#### Scope of services

The scope of the services to be provided by the Property Manager under the Property Management Agreement includes:

1. Assisting the Target Companies in strategic decision-making processes, for matters relating to the properties;
2. Provision of senior management and related services to the Target Companies to assist in the project management of the properties;

3. Overall supervision of the property management and development management services undertaken in relation to the properties, including supervision of (i) architectural and structural designs; (ii) approvals; (iii) construction; (iv) project management; (v) fit-outs; (vi) handover to tenants; (vii) MEP façade and landscaping proper and (viii) ensuring completion of the project;
4. Forecasting and business planning/ business strategy services;
5. Supervision of accounting, legal, secretarial and compliance services as required by the Target Companies;
6. Executing new leases, sub-lease agreements and leave and licence agreements with respect to the leasable or licensable area in the properties in accordance with the business plan (subject to permitted deviation on per square feet rent);
7. Engaging the services of any third-party vendors, including accountants, facility managers, technical consultants, property consultants, and sub-contractors in relation to any one or more of the services on arm's length basis;
8. Amending, renewing, or terminating any lease, sub-lease or leave and licence, as may be deemed necessary by the Property Manager, in respect of the properties;
9. Taking all the necessary steps and performing all actions in relation to new financing or refinancing of third-party debt;
10. Terminate or engage services of any contractors, third parties or employees for the performance of the services;
11. Supervising the maintenance of books of accounts for the Target Entity; preparation and submission of the annual audited accounts, including providing inputs to the auditor on any issues arising; and supervising on-going marketing, branding, accounting, legal, compliance and company secretarial support services, annual maintenance contracts and insurances.

The Property Manager shall provide the services to the Target Companies in the manner mutually agreed between the parties to the Property Management Agreement, from time to time, in writing. The Parties may, from time to time, agree for additional services to be rendered by the Property Manager to the Target Companies for an additional fee agreed upon between the Parties. The Property Manager may, at its sole discretion, sub-contract any or all of the services to any person as it may deem fit, at its own costs and expenses. The Property Manager will be solely

responsible for the fulfilment of its obligations under the Property Management Agreement, whether the same are performed directly by it or through a third-party contractor, in accordance with the Property Management Agreement.

### Fee

In consideration for discharging the services, the Property Manager shall be entitled to a yearly fee of (a) 3% (Three Percent) of the revenue (accrual basis) for Worldmark 1, Worldmark 2 and Worldmark 3, Worldmark Gurugram; and Airtel Center; and (b) 4% (Four Percent) of the revenue (cash basis) for Pavilion Mall.

The fees shall be exclusive of all or any taxes, duties and other statutory levies, if any, payable thereon. The Property Manager shall also be entitled to be reimbursed by the Target Entity for expenses that are incurred by it in rendering the services (to the extent such reimbursement is contemplated in the annual business plan and budget) upon submission of all receipts of such expenses.

### Term and termination

The Property Management Agreement shall be effective on and from the date of its execution and until such time that it is terminated in accordance with the Property Management Agreement. The Property Management Agreement may be terminated by mutual consent of the parties in writing.

**D. Structure of the Preferential Issue**

The Manager intends to finance the acquisition of 50% of the share capital of the Target Entity by way of a Preferential Issue of Units to Bharti Group, in accordance with applicable law, including obtaining the approval of the Board and its Unitholders, as required.

Please refer to “*Brief Overview of Regulatory Framework for REIT Valuation and Preferential Issue*” for a brief overview of key regulatory provisions applicable to the Preferential Issue.

**E. Approvals Required**

The North Commercial Portfolio Acquisition is subject to completion of certain conditions including a HSIIDC In-Principal Approval, intimation to a regulatory authority by the Target Entity, receipt of approval from Unitholders for the Preferential Issue, in-principle, final listing and trading approvals from the Stock Exchanges for the Preferential Issue of Units, to be undertaken in accordance with applicable law, as applicable.

**F. Existing arrangements of the Target Entity and Target Subsidiaries with the Brookfield Group entities and Bharti entities**

The Target Entity and the Target Subsidiaries have certain existing arrangements with the Bharti entities and Brookfield Group entities, the summaries of which are set out below:

**I. Backstop Arrangement**

BRL and the Target Entity have entered into a backstop arrangement dated March 31, 2022, as amended on April 28, 2023 by way of an amendment agreement (together the “**Backstop Arrangement**”), pursuant to which BRL has in relation to the Airtel Center guaranteed to the Target Entity that in case of termination of any lease agreements by the existing lessees in Airtel Center, BRL would backstop rental payments on such lease agreements. The Backstop Arrangement shall remain in force till March 31, 2028 or until the termination of the Backstop Arrangement. The Backstop Arrangement may be terminated as mutually agreed between the Target Entity and BRL.

**II. Trademark license agreements**

BRL and the Target Companies have entered into a trademark license agreement (“**Worldmark TLA**”) dated April 27, 2023, as amended from time to time, pursuant to which BRL has granted an irrevocable, royalty-free, non-transferable, non-sub-licensable, and non-exclusive license to the Target Companies for the usage of the ‘Worldmark’ trademarks (“**Worldmark TM**”) solely in connection with Worldmark Delhi and Worldmark Gurugram (“**Worldmark Properties**”), in accordance with the brand usage and marketing guidelines of BRL. The Worldmark TLA can be terminated by the parties mutually, in writing, and by BRL including in case any of the Target Companies breach the terms and conditions under the Worldmark TLA. The rights granted to the Target Companies under the Worldmark TLA shall cease and stand terminated from the date any of the Target Companies or their subsidiaries decide to wholly or partly discontinue the use of the Worldmark TM.

**III. Other agreements**

**Lease agreements**

The Target Companies (“**Lessors**”) have entered into lease, sub-lease or license agreements with certain entities from the Bharti group and the Brookfield Group (“**Lessees**”) for the purpose of leasing, licensing or sub-leasing the spaces in certain of the Target Assets (“**Lease Arrangements**”). The Lease Arrangements are typically valid for a period of nine years from the commencement date with lock-in period of 12-36 months.

Specifically in the case of Airtel Center, the property is 100% leased to Bharti Airtel Limited (“**BAL**”) and its affiliates. Further, in relation to the lease entered into by BAL (665,868 sf of the Leasable Area, ~20% of Leasable Area of the Target Assets), BAL has agreed to provide a fresh lock-in to the Target Entity for a period up to April 30, 2026. This lock-in agreement will be executed prior to completion of the North Commercial Portfolio Acquisition.

Further, the Lease Arrangements can be terminated by the Lessees (subject to lock-in) by providing a notice in writing or by the Lessors on account of breach of any material terms and conditions of the Lease Arrangements by the Lessees. The Target Companies also provide maintenance services to the Lessees, in the ordinary course of business.

### ***Power purchase agreements***

The Target Companies have entered into a power purchase agreement each with an entity forming part of the Brookfield Group, for procurement of power from renewable energy sources for use across the Target Assets, at tariffs agreed upon under the power purchase agreements.

**G. Unitholding Pattern of Brookfield India REIT**
*Unitholding Pattern as of March 31, 2024*

Category	Category of Unit holder	No. of Units Held	As a % of Total Out-standing Units	No. of units mandatory held		No. of units pledged or otherwise encumbered	
				No. of units mandatory held	As a % of total units held*	No. of units mandatory held	As a % of total units held*
<b>(A)</b>	<b>Sponsor(s) / Investment Manager / Project Manager(s) and their associates/related parties</b>						
<b>(1)</b>	<b>Indian</b>						
(a)	Individuals / HUF	-	-	-	-	-	-
(b)	Central/State Govt.	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-
	Trust	-	-	-	-	-	-
	Bodies Corporates	-	-	-	-	-	-
	<b>Sub-Total (A) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non Resident Indians / Foreign Individuals)	-	-	-	-	-	-
(b)	Foreign government	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	4,188,287	0.95	-	-	-	-
(e)	Any Other (Bodies Corporates)	188,591,930	42.95	20,768,168	11.01	160,431,434	85.07
	<b>Sub-Total (A) (2)</b>	<b>192,780,217</b>	<b>43.90</b>	<b>20,768,168</b>	<b>10.77</b>	<b>160,431,434</b>	<b>83.22</b>
	<b>Total unit holding of Sponsor &amp; Sponsor Group (A) = (A)(1)+(A)(2)</b>	<b>192,780,217</b>	<b>43.90</b>	<b>20,768,168</b>	<b>10.77</b>	<b>160,431,434</b>	<b>83.22</b>
<b>(B)</b>	<b>Public Holding</b>						
<b>(1)</b>	<b>Institutions</b>						
(a)	Mutual Funds	49,665,236	11.31				
(b)	Financial Institutions/Banks	18,362,139	4.18				
(c)	Central/State Govt.	-	-				

Category	Category of Unit holder	No. of Units Held	As a % of Total Out-standing Units	No. of units mandatory held		No. of units pledged or otherwise encumbered	
				No. of units mandatory held	As a % of total units held*	No. of units mandatory held	As a % of total units held*
(d)	Venture Capital Funds	-	-				
(e)	Insurance Companies	54,745,680	12.47				
(f)	Provident/pension funds	70,000.00	0.02				
(g)	Foreign Portfolio Investors	37,100,943	8.45				
(h)	Foreign Venture Capital investors	-	-				
(i)	Any Other (specify)	-	-				
	Bodies Corporates	-	-				
	Alternative Investment Fund	7,990,432	1.82				
#	Systemically Important NBFCs	1,530,400	0.35				
	<b>Sub-Total (B) (1)</b>	<b>169,464,830</b>	<b>38.59</b>				
<b>(2)</b>	<b>Non-Institutions</b>						
(a)	Central Government/State Governments(s)/President of India	-	-				
(b)	Individuals	38,117,786	8.68				
(c)	NBFCs registered with RBI	525,800	0.12				
(d)	Any Other (specify)	-	-				
	Trusts	17,000	0.00				
	Hindu Undivided Family	1,187,536	0.27				
	Non-Resident Indians	620,307	0.14				
	Non-Resident Indians (Non Repat)	896,640	0.20				
	Clearing Members	2,639	0.00				
	Bodies Corporates	34,216,824	7.79				
	Body Corporate-Ltd Liability-Partnership	1,255,510	0.29				
	Escrow Account	-	-				
	Foreign Portfolio Investor (Individual)	133	0.00				
	<b>Sub- Total (B) (2)</b>	<b>76,840,175</b>	<b>17.51</b>				

Category	Category of Unit holder	No. of Units Held	As a % of Total Out-standing Units	No. of units mandatory held		No. of units pledged or otherwise encumbered	
				No. of units mandatory held	As a % of total units held*	No. of units mandatory held	As a % of total units held*
<b>Total Public Unit holding</b>		<b>246,305,005</b>	<b>56.10</b>				
<b>(B) = (B)(1)+(B)(2)</b>							
<b>Total Units Outstanding</b>		<b>439,085,222</b>	<b>100.00</b>				
<b>€ = (A) + (B)</b>							

#The depository data/benpos does not provide classification of systemically important NBFC/ non systemically important NBFCs. Since systemically important NBFCs fall within the definition of institutional investors, based on publicly available information on the Reserve Bank of India website, systemically important NBFC unitholders have been categorized as Institutions based on the data received from Registrar & Transfer Agent.

@The percentage unitholding is rounded off to the nearest multiple.

\* The percentage of no. of units mandatory held/ pledged to total units held as provided above, is calculated on the basis of the total no. of units held in the corresponding category in alignment with the disclosure made with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in XRBL

## Ultimate Beneficial Ownership

The ultimate beneficial owners of the Bharti Group are as listed out below:

S. No.	Name of the shareholder of the Target Entity	% of shareholding as on date in the Target Entity	% of shareholding in the Target Entity prior to Closing under the SPA	Details of Beneficial owner
1.	Bharti (SBM) Holdings Private Limited	12.76%	12.51%	Mr. Sunil Bharti Mittal Ms. Nyna Mittal
2.	Bharti (RM) Holdings Private Limited	7.98%	7.82%	Mr. Rakesh Bharti Mittal Ms. Deepika Mittal
3.	Bharti (RBM) Holdings Private Limited	7.98%	7.82%	Mr. Rajan Bharti Mittal Mr. Armaan Bharti Mittal
4.	Bharti (Satya) Trustees Private Limited on behalf of Bharti (Satya) Family Trust	3.19%	3.13%	Bharti (Satya) Trustees Private Limited
5.	Bharti (SBM) Holdings Private Limited jointly with Sunil Bharti Mittal	0.00%	0.00%	Mr. Sunil Bharti Mittal Ms. Nyna Mittal

S. No.	Name of the shareholder of the Target Entity	% of shareholding as on date in the Target Entity	% of shareholding in the Target Entity prior to Closing under the SPA	Details of Beneficial owner
6.	Bharti (RM) Holdings Private Limited jointly with Rakesh Bharti Mittal	0.00%	0.00%	Mr. Rakesh Bharti Mittal Ms. Deepika Mittal
7.	Bharti (RBM) Holdings Private Limited jointly with Rajan Bharti Mittal	0.00%	0.00%	Mr. Rajan Bharti Mittal Mr. Armaan Bharti Mittal
8.	Bharti Enterprises Limited	17.09%	18.72%	Bharti Enterprises Limited is ultimately held by private trusts of the Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company

**H. Brief Overview of Regulatory Framework for REIT Valuation and Preferential Issue**

*The following description is a summary of certain key regulations and policies under the REIT Regulations, which are applicable to the matters specified below. The regulations set out below are not exhaustive, and are only intended to provide general information to the Unitholders and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable law that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions in India from time to time.*

***Valuation***

- A full valuation of the assets of Brookfield India REIT is required to be conducted by the valuer at least once every financial year, and this full valuation exercise shall be conducted at the end of every financial year ending March 31, within three months from the end of such financial year. An updated valuation report incorporating any key changes during the previous half-year is also required to be issued by the valuer within 45 days from the end of such half-year. The valuation reports are to be submitted by the Manager to the Unitholders and the Stock Exchanges within 15 days of receipt of such reports.
- In case of any material development that may have an impact on the valuation of the assets of Brookfield India REIT, the Manager will require the valuer to undertake a full valuation of the property under consideration, within not more than 2 months from the date of such event, and disclose the same to the Trustee, the Unitholders and the Stock Exchanges within 15 days of such valuation.
- The Manager is required to ensure that computation of NAV of Brookfield India REIT is based on the valuation done by the valuer and is declared not later than 15 days from the date of valuation and such computation shall be done and declared not less than once every six months.

***Preferential Issue***

- *Pricing (frequently traded Units):* Not less than the higher of 90 or 10 trading days' volume weighted average price of the related units quoted on the recognised stock exchange preceding the relevant date.
- *Pricing (infrequently traded Units):* Price determined by the REIT shall take into account the NAV of the REIT based on a full valuation of all existing REIT assets conducted in terms of REIT Regulations.
- *Relevant date:* The date 30 days prior to the date on which the meeting of Unitholders is held to consider the Preferential Issue.
- *Transfer restrictions:* Units allotted through a Preferential Issue to persons other than the Sponsor, shall be locked-in for a period of one year from the date of receipt of trading approval for such Units.

- *Eligibility:* Preferential Issue shall not be made to any person who has sold or transferred any Units during the 90 trading days preceding the relevant date.
- *Allotment:* The allotment of Units through the Preferential Issue shall be completed within a period of 15 days from the date of the Unitholders' resolution or the receipt of all applicable regulatory, governmental or statutory body/agency, whichever is later.

**I. Certain Other Information*****Interest in the Proposed Transactions and Abstentions from Voting***

None of the directors of the Manager (or their relatives) are interested in the North Commercial Portfolio Acquisition nor the Preferential Issue as per the provisions of Section 184 of the Companies Act, 2013.

The North Commercial Portfolio Acquisition is not a related party transaction.

None of the directors or key managerial personnel of the Trustee are interested in the North Commercial Portfolio Acquisition, or the Preferential Issue.

The Manager, and the Trustee will not receive any Units in the Preferential Issue. Further, none of the directors or the key managerial personnel of any of the parties to Brookfield India REIT will receive any Units in the Preferential Issue.

No acquisition fee is payable to the Manager for the North Commercial Portfolio Acquisition or the Preferential Issue.

**DEFINITIONS**

*In addition to the terms defined elsewhere, this Transaction Document uses certain definitions and abbreviations set forth below which you should consider when reading the information contained herein.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.*

**Terms Related to Brookfield India REIT or the North Commercial Portfolio Acquisition**

<b>Term</b>	<b>Description</b>
<b>ABL</b>	Aspen Buildtech Limited
<b>Acquisition Price</b>	The purchase price for the Target Entity on a 100% basis before any adjustments in relation to debt, cash and balance sheet items
<b>Acquisition Related Event</b>	Events as described in the section “ <i>Basis of Presentation of Pro-forma Information, Industry and Market Data and Certain Other Information</i> ”
<b>Airtel Center</b>	Airtel Center, developed over 4.6 acres comprising a building made up of three basements, lower and upper ground floors, and six upper floors having leasable area of 692,586 sf situated at Plot No. 16, Udyog Vihar, Phase-IV, Gurgaon, Haryana
<b>Arnon</b>	Arnon Builders and Developers Limited
<b>Asset SPVs</b>	SPVs of Brookfield India REIT, including Candor Kolkata One Hi-Tech Structures Private Limited, Festus Properties Private Limited, Shantiniketan Properties Private Limited, Seaview Developers Private Limited, Candor Gurgaon One Realty Projects Private Limited and Kairos Properties Private Limited
<b>BAL</b>	Bharti Airtel Limited
<b>BRL</b>	Bharti Realty Limited
<b>Bharti Group</b>	Bharti (SBM) Holdings Private Limited, Bharti (RM) Holdings Private Limited, Bharti (RBM) Holdings Private Limited, Bharti (Satya) Trustees Private Limited and Bharti Enterprises Limited
<b>Board</b>	Board of Directors
<b>Brookfield</b>	Brookfield Corporation (erstwhile <i>Brookfield Asset Management Inc.</i> )
<b>Brookfield Group</b>	Persons (including funds, co-investment vehicles and partnerships (including limited partnerships)), controlled (directly or indirectly), and where applicable, also advised and managed (directly or indirectly) by Brookfield
<b>Brookfield Group Unitholders</b>	Sponsor and the Sponsor Group
<b>Brookfield India REIT</b>	Brookfield India Real Estate Trust
<b>Brookfield Metallica</b>	Metallica Holdings (DIFC) Limited
<b>C&amp;W</b>	Cushman & Wakefield India Private Limited
<b>C&amp;W Research</b>	References to industry and market data provided by C&W by way of its report titled ‘India Overview Study’

Term	Description
<b>CAGR</b>	Compound annual growth rate
<b>Candor Techspace G1</b>	Completed tower nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, amenity block I and amenity block II, all situated in Sector 48, Gurugram 122 016, Haryana, India
<b>Candor Techspace G2</b>	Completed tower nos. 1, 2, 3, 4 (amenity block I), 4A (amenity block II), 5, 6, 7, 8A, 8B, 9, 11 and 10 (MLCP), all situated at Dundaheera, Sector 21, Gurugram 122 016, Haryana, India
<b>Candor Techspace K1</b>	Completed tower nos. A1, A2, A3, B1, B2, B3, G1, G2, G3, C1, C2 and C3 all situated at Action Area – 1D, New Town, Rajarhat, Kolkata 700 156, West Bengal, India
<b>Candor Techspace N1</b>	Completed tower nos. 1, 2, 3, 5, 6, 7 (amenity block) and 8 (amenity block), and Future Development Potential towers 4A and 4B, all situated at Plot No. 2, Block No. B, Sector 62, Noida, Gautam Budh Nagar 201 301, Uttar Pradesh, India
<b>Candor Techspace N2</b>	Completed tower nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, amenity block 1 (ground floor), amenity block 2 and guard room, and Future Development Potential towers 12 and Amenity block 1 (additional floors), all situated at Plot No. 20-21, Sector – 135, Noida, Uttar Pradesh – 201304
<b>CIOP</b>	Candor India Office Parks Private Limited
<b>Current Portfolio</b>	Real estate assets directly or indirectly owned by Brookfield India REIT being (a) Candor Techspace G2 (owned by Candor Kolkata One Hi-Tech Structures Private Limited); (b) Candor Techspace K1 (owned by Candor Kolkata One Hi-Tech Structures Private Limited); (c) Candor Techspace N1 (owned by Shantiniketan Properties Private Limited); (d) Kensington (owned by Festus Properties Private Limited); (e) Candor Techspace N2 (owned by Seaview Developers Private Limited); (f) Candor TechSpace G1 (owned by Candor Gurgaon One Realty Projects Private Limited); and (g) Downtown Powai (owned by Kairos Properties Private Limited)
<b>Downtown Powai</b>	Nine completed buildings comprising (a) Fairmont, (b) Winchester, (c) Alpha, (d) Delphi (including wings A, B and C), (e) Spectra, (f) Prudential, (g) Crisil House, (h) Ventura A, and (i) One Boulevard all located in Hiranandani Gardens, forming part of a larger township at Powai, Mumbai 400 076, Maharashtra, India, together with land forming the footprint of and appurtenant to each of the buildings, along with amenities and rights to access roads on a non-exclusive basis set up over a total of 19.95 acres
<b>EM</b>	Extraordinary meeting of the Unitholders
<b>Equity Shares</b>	Equity shares of the Target Entity
<b>GIC</b>	GIC, a global institutional investor
<b>HSIIDC</b>	Haryana State Industrial and Infrastructure Development Corporation Limited
<b>IFRS</b>	International Financial Reporting Standards
<b>Ind-AS</b>	Indian Accounting Standards referred to in the Companies Act, 2013 and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, notified on February 19, 2015 by the MCA, including any amendments or modifications thereto
<b>Kensington</b>	Kensington A and Kensington B located at Powai, Mumbai 400 076, Maharashtra, India
<b>Manager</b>	Brookprop Management Services Private Limited

Term	Description
<b>North Commercial Portfolio Acquisition</b>	Acquisition of 50% of the share capital of the Target Entity from the Bharti Group for an Acquisition Price of ₹ 60,000 million. For further details, see “ <i>Overview of the North Commercial Portfolio Acquisition</i> ”
<b>Oak</b>	Oak Infrastructure Developers Limited
<b>Pavilion Mall</b>	Pavilion Mall comprising a building made up of three basements and 10 upper floors having leasable area of 389,588 sf located on land admeasuring 2.47 acres situated at Old Session Court, Near Fountain Chowk, Ludhiana, Punjab
<b>Preferential Issue</b>	Preferential issue of up to 40,930,000 Units to the Bharti Group in exchange for the transfer of their shareholding in the Target Entity to BIRET
<b>Property Management Agreement</b>	Property management agreement (being in agreed form) proposed to be executed between the Property Manager, the Target Entity and the Target Subsidiaries, on the Closing Date (as defined in the SPA)
<b>Pro-forma Metrics</b>	Certain unaudited, pro-forma operational and financial metrics as defined in the section “ <i>Basis of Presentation of Pro-forma Information, Industry and Market Data and Certain Other Information</i> ” above.
<b>Pro-forma Portfolio</b>	Together, the Current Portfolio and Target Assets
<b>RBI</b>	Reserve Bank of India
<b>REIT</b>	Real Estate Investment Trusts
<b>REIT Regulations</b>	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, together with the notifications, circulars, guidelines and clarifications issued thereunder, each as amended from time to time
<b>SEBI</b>	Securities Exchange Board of India
<b>SEBI Act</b>	The Securities and Exchange Board of India Act, 1992, as amended
<b>SEBI Institutional Placement and Preferential Allotment Guidelines</b>	The master circular dated May 15, 2024 (including pursuant to the circulars dated November 27, 2019, March 13, 2020, September 28, 2020, August 26, 2022, September 28, 2022, June 26, 2023, June 27, 2023 and July 5, 2023) on guidelines for preferential issue of units and institutional placement of units by a listed REIT issued by the SEBI
<b>Sale Shares</b>	32,848,620 Equity Shares, constituting 50% of the share capital of the Target Entity, to be acquired from the Bharti Group
<b>SHA</b>	Shareholders’ agreement (being in agreed form) proposed to be executed between Brookfield India REIT, Brookfield Metallica and the Target Entity, on the Closing Date (as defined in the SPA)
<b>Sponsor</b>	BSREP India Office Holdings V Pte. Ltd.
<b>Sponsor Group</b>	a) BSREP II India Office Holdings II Pte. Ltd.; b) BSREP India Office Holdings IV Pte. Ltd.; c) BSREP India Office Holdings III Pte Ltd.; d) BSREP India Office Holdings VI Pte Ltd.; e) BSREP India Office Holdings Pte. Ltd.; and f) Project Diamond Holdings (DIFC) Limited
<b>SPA</b>	Share Purchase Agreement dated May 15, 2024 executed between Brookfield India REIT (acting through the Manager), Bharti Group and the Target Entity

Term	Description
<b>SPV</b>	Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, which currently comprise the Asset SPVs
<b>Stock Exchanges</b>	National Stock Exchange of India Limited and BSE Limited
<b>Target Assets</b>	Collectively, the Target Entity Assets and the Target Subsidiary Assets
<b>Target Companies</b>	Collectively, the Target Entity and the Target Subsidiaries
<b>Target Entity/ Target</b>	Rostrum Realty Private Limited
<b>Target Entity Assets</b>	Real estate assets held directly by the Target Entity, namely, (a) Airtel Center; and (b) Pavilion Mall
<b>Target Subsidiaries</b>	Wholly-owned subsidiaries of the Target Entity, namely: <ul style="list-style-type: none"> <li>(1) Arnon Builders and Developers Limited;</li> <li>(2) Aspen Buildtech Limited, and</li> <li>(3) Oak Infrastructure Developers Limited</li> </ul>
<b>Target Assets</b>	<b>Subsidiary</b> Real estate assets held by the Target Subsidiaries, namely (a) Worldmark Delhi and (b) Worldmark Gurugram
<b>Transaction Agreements</b>	SPA, SHA and Property Management Agreement
<b>Transaction Document</b>	Transaction document dated May 15, 2024 issued by Brookfield India REIT
<b>Trustee</b>	Axis Trustee Services Limited
<b>Units</b>	An undivided beneficial interest in Brookfield India REIT, and such Units together represent the entire beneficial interest in Brookfield India REIT
<b>Unitholders</b>	Unitholders of Brookfield India REIT, from time to time
<b>U.S. GAAP</b>	Generally Accepted Accounting Principles (GAAP or US GAAP) are a collection of commonly-followed accounting rules and standards for financial reporting
<b>Valuer</b>	Ms. L. Anuradha
<b>Worldmark 1</b>	Property built on Asset Area 11, Aerocity, Hospitality District, IGI Airport, New Delhi admeasuring 3.1 acres with building comprising three basements, ground floor, and six upper floors having leasable area of 607,890 sf, held by ABL
<b>Worldmark 2</b>	Property built on Asset Area 8, Aerocity, Hospitality District, IGI Airport, New Delhi admeasuring 2.3 acres with building comprising three basements, ground floor, and six upper floors having leasable area of 432,652 sf, held by Oak
<b>Worldmark 3</b>	Property built on Asset Area 7, Aerocity, Hospitality District, IGI Airport, New Delhi admeasuring 2.2 acres with building comprising three basements, ground floor, and six upper floors having leasable area of 413,584 sf, held by Oak
<b>Worldmark Delhi</b>	Together, Worldmark 1, Worldmark 2 and Worldmark 3
<b>Worldmark Gurugram</b>	Commercial complex developed over plot of land admeasuring 6.7 acres situated at village Maidawas, Sector 65, Gurugram, Haryana with building comprising three towers, multiplex, and central court kiosk having leasable area of 751,397 sf, held by Arnon

**Technical, Industry Related and Other Terms**

<b>Term</b>	<b>Description</b>
<b>Cap Rate</b>	Cap rate is a real estate industry metric. Cap rate for office space in a geography refers to the ratio of the net operating income from rentals from the office space to their GAV
<b>Committed Occupancy</b>	$\frac{\text{Leased Area}}{\text{Operating Area}} \text{ in\%}$
<b>Consolidated GAV</b>	GAV adjusted for 100% stake in all Asset SPVs
<b>Discounted Cash Flow Method</b>	Valuation method used to estimate the value of asset based on expected future cash flows. Value determined using rent reversion approach over a 10 year period with suitable adjustments to rentals, other revenue, recurring operational expenses and other operating assumptions
<b>Effective Economic Occupancy</b>	$\frac{\text{Sum of Leased Areas and any eligible areas under any income support arrangement (excluding Leased Areas)}}{\text{Operating Area}} \text{ in\%}$
<b>Estimated NOI</b>	NOI estimated based on independent valuation by Ms. L. Anuradha for the specified period
<b>Estimated NOI Yield</b>	$\frac{\text{Estimated NOI}}{\text{Value of Operating Area}} \text{ in\%}$
<b>Future Development Potential</b>	The area of a property for which the master plan for development has been obtained or applied for, or which has been calculated on the basis of FSI available as per the local regulatory norms, but where the internal development plans are yet to be finalized and the applications for requisite approvals to commence construction are yet to be made
<b>GAV</b>	Market value of the property/ portfolio
<b>Grade A</b>	“Grade-A” is defined as a development type whose tenant profile includes prominent multinational corporations. The development should also include adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems
<b>Gross Contracted Rentals</b>	Gross contracted rentals is the sum of Warm Shell Rentals from Leased Area that is expected to be received from the tenants pursuant to the agreements and letters of intent entered into with them
<b>In-place Rent (Rs psf / month)</b>	Warm Shell rent for the month excluding fit-out and car parking income
<b>Leasable Area/ Total Leasable Area (sf)</b>	Total gross square footage that can be occupied or utilised by an occupier for the purpose of determining an occupier's rental obligations. Leasable Area is the sum of Operating Area, Under Construction Area and Proposed Development Area)
<b>Leased Area</b>	The Operating Area of a property which has been leased or rented out in accordance with an agreement or letters of intent entered into for that purpose with tenants
<b>LTV</b>	Loan to value
<b>Market Rent (psf per month)</b>	Management's estimate of Warm Shell Rent that can be expected from leasing of the asset to an occupier; does not include fit-out and parking income
<b>Mn or mn</b>	Million

Term	Description
<b>msf</b>	million square feet
<b>MTM</b>	Mark-to-Market
<b>NAV</b>	Net Asset Value
<b>NDCF</b>	Net Distributable Cash Flow
<b>NOI</b>	Net Operating Income
<b>Operating Area (sf)</b>	The Leasable Area of a property for which occupancy certificate has been received
<b>Operating Lease Rentals (OLR)</b>	Revenue from leasing of premises including Warm Shell Rent, fit out rent and car parking income
<b>Psf</b>	Per square feet
<b>ROFO</b>	Right of first offer
<b>Rs</b>	Indian rupees
<b>Sf</b>	Square feet
<b>Under Construction Area (sf)</b>	Leasable Area for which internal development plans have been finalized and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced and the occupancy certificate is yet to be received
<b>US\$</b>	US dollars
<b>Vacant Areas (sf)</b>	Represents the total office space in existing properties, which is physically vacant and is being actively marketed as at the end of the quarter/ year. Space that is physically vacant, but not being marketed or is not available for occupation is excluded from vacancy. Space that is Under Construction is also excluded from Vacant Area
<b>WALE</b>	Weighted Average Lease Expiry calculated assuming occupiers exercise all their renewal options post expiry of their initial commitment period as per terms of lease contract
<b>Warm Shell Rent</b>	Rental income contracted from the leasing of Leased Area and does not include fit-out and car parking income

**VALUATION REPORTS**

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# **VALUATION REPORT**

## **Worldmark (Tower 1), Aerocity District - DIAL, NCR**

Date of Valuation: 31<sup>st</sup> March 2024

Date of Report: 10<sup>th</sup> May 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" or "REIT") and / or its associates and its unitholders for the proposed acquisition. 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 Brookfield India REIT may share the report with its appointed advisors for any statutory or reporting requirements or include it in stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document/any publicity material / research reports / presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the property by Brookfield India REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 09<sup>th</sup> April 2024 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 09<sup>th</sup> April 2024. 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 1, Aerocity District (DIAL), NCR</b>	
<b>Valuation Date:</b>	31 <sup>st</sup> March 2024
<b>Site Visit Date:</b>	22 <sup>nd</sup> April 2024
<b>Valuation Methodology:</b>	Discounted Cash Flow using Rental Reversion
<b>Valuation Purpose:</b>	Disclosure of valuation of asset to be formed as a part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014
<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 98%. 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>External View of the Subject Property</p>
	 <p>Internal View of the Subject Property</p>
	 <p>Internal View of the Subject Property</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>	
<p><b>Total Area:</b></p>	<p>Total Land Area: Approx 3.1 acres Office leasable Area: 513,776 sq. ft. Retail leasable Area: 94,116 sq. ft. Total Leasable Area: 6,07,892 sq. ft.</p>	

Source: Architect's Certificate (Dated: 8<sup>th</sup> May 2024), \*Rent Roll as at 31st March 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 31<sup>st</sup> March 2024, is as follows:

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building (Worldmark 1)	31 March 2024	INR 16,723 million	Indian Rupees Sixteen Billion Seven Hundred and Twenty – 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**

**Property: Worldmark (Tower 1), Aerocity District, DIAL, NCR**

**Report Date: 10<sup>th</sup> May 2024**

**Valuation Date: 31<sup>st</sup> March 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 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 proposed acquisition 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 16 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 or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations issued by the Securities and Exchange Board of India ("SEBI") or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to the Acquisition, including any preliminary or final international offering documents for distribution to investors outside India, and any publicity material, research reports, presentations or press releases, in connection with the Acquisition (collectively, the "Documents").

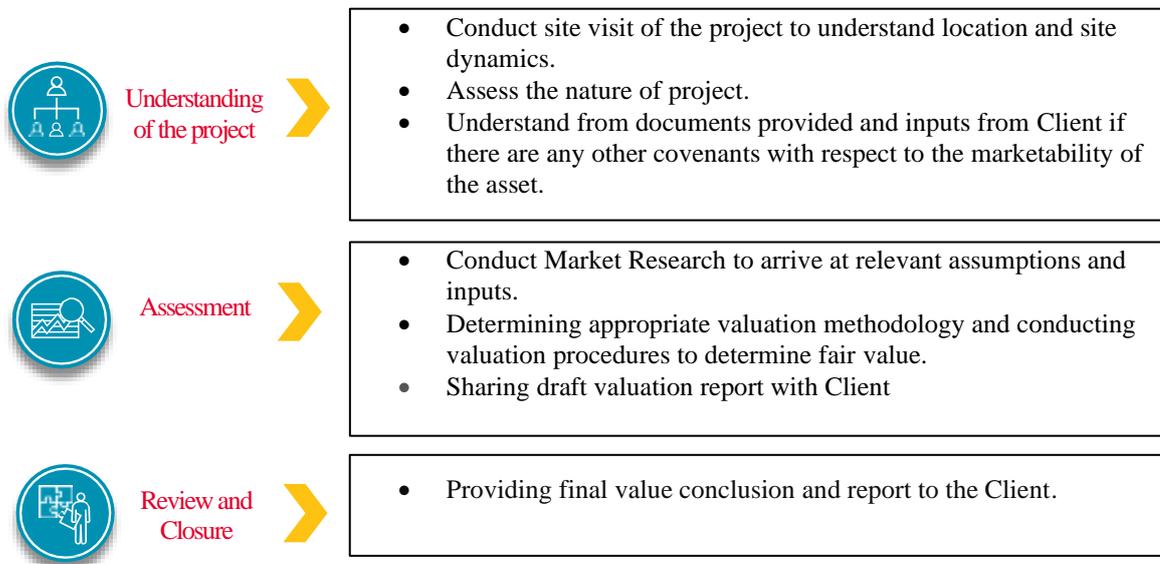


## 5 Basis of Valuation

It is understood that the valuation is required by the Client of the Subject Property which is proposed to be acquired (“Proposed Acquisition”) by Brookfield India REIT, in accordance with 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 and for accounting purposes. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, 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 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, proposed to be 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 proposed to be 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 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 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 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 endeavour 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 & 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 Q1 CY 2024 (msf)</b>	92.37	3.45	1.52	64.12	23.29
<b>Current Occupied Stock till Q1 CY 2024 (msf)</b>	72.01	2.65	1.35	50.23	17.77
<b>Current Vacancy Q1 CY 2024 (%)</b>	22.0%	23.2%	10.9%	21.7%	23.7%
<b>Avg. Annual Absorption CY 2015 – Q1 CY 2024 (msf)</b>	3.54	0.16	0.13	2.30	0.96
<b>Future Supply Q2 CY 2024 E – CY 2026 E (msf)</b>	15.88	-	3.45	8.32	4.11
<b>Market Rent – Q1 CY 2024 (INR psf / month)</b>	89	146	229	95	54
<b>CAGR for Market Rent (CY 2015 – Q1 CY 2024)</b>	2.0%	1.1%	4.4%	2.1%	3.7%

Source: Cushman and Wakefield Research

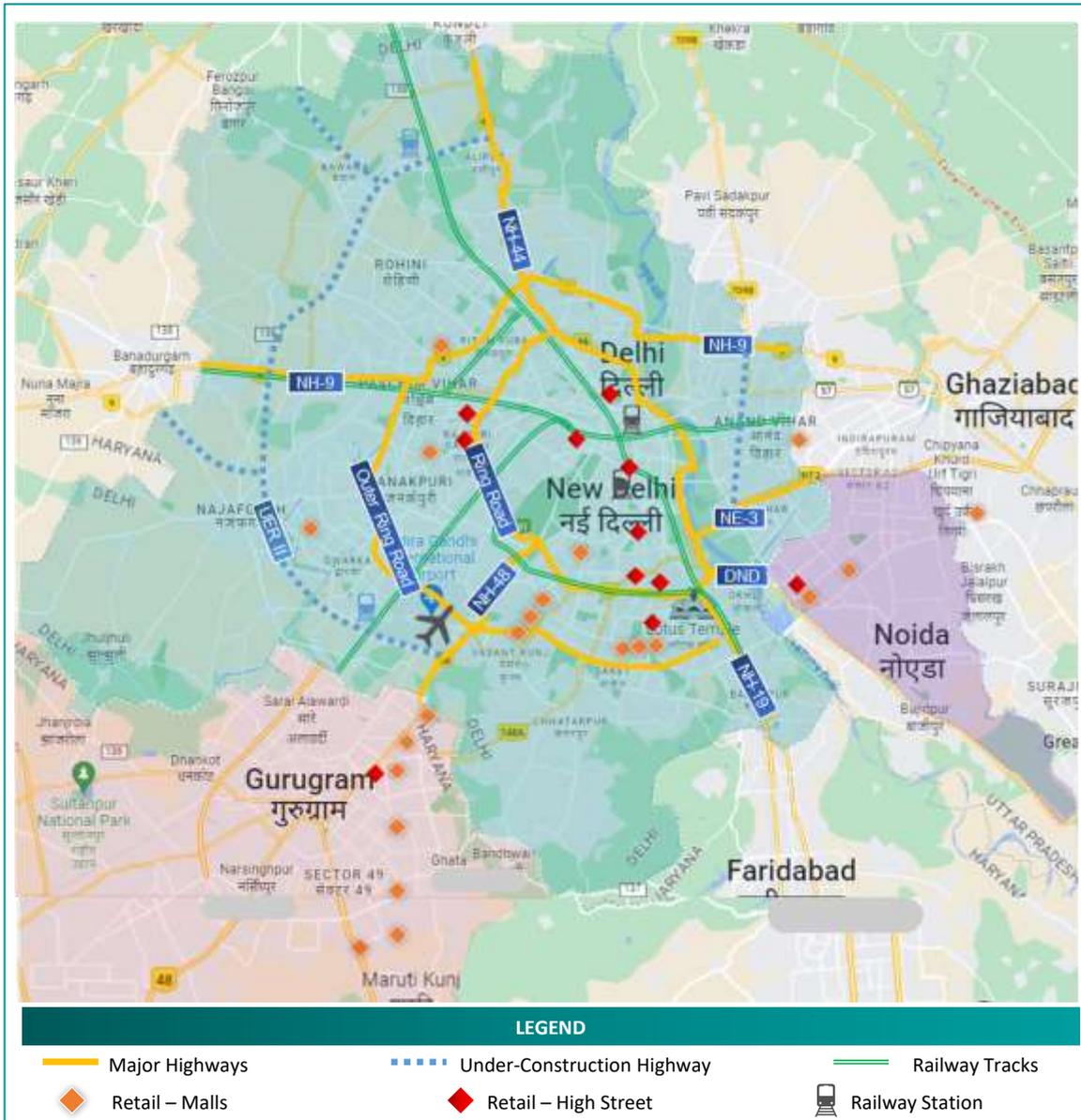
Notes:

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)

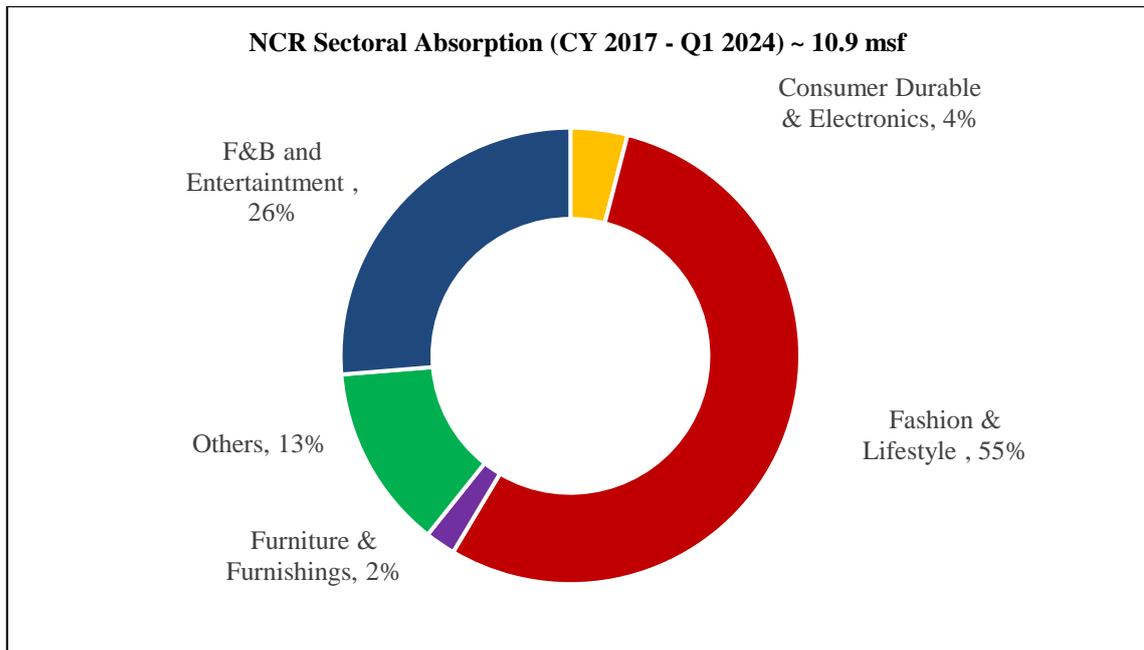
In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. Delhi NCR has adeptly embraced and accommodated this evolving trend. This 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 26% of the retail absorption from CY 2017 till Q1 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:

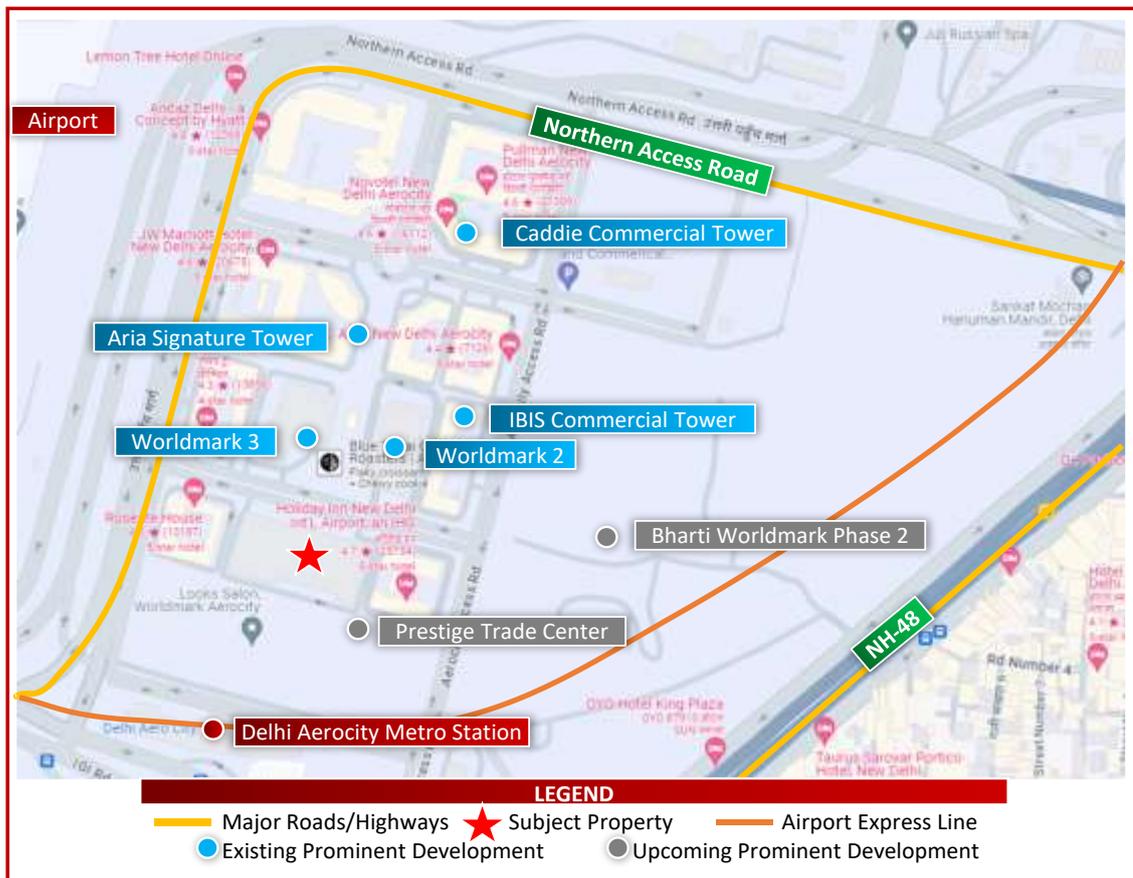
1. **Proximity to prominent residential nodes** - Malls located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor 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)

- Key Commercial Developments
- Social Infrastructure
- Lifestyle Infrastructure
- Proposed/Under Construction Office Developments
- Hospitality Developments
- Higher Educational Institutes

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposes/Under Construction Office Developments	Hospitality Developments	Higher Education Institutes
1) Subject Property (along with Worldmark 2 & 3)	1) Om Hospital (1.4 km)	1) Subject Property (along with 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 (Q1 CY 2024)</b>	Approximately 1.52 msf
<b>Current Occupied Stock (Q1 CY 2024)</b>	Approximately 1.35 msf
<b>Current Vacancy (Q1 CY 2024)</b>	Approximately 10.9%
<b>Avg. Annual Net Absorption (CY 2015 – Q1 CY 2024)</b>	Approximately 0.13 msf
<b>Future Supply (Q2 CY 2024 E – CY 2026 E)</b>	Q2 CY 2024E to Q4 CY2024E: NIL CY 2025E: Approximately 1.1 msf CY 2026E: Approximately 2.35 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.

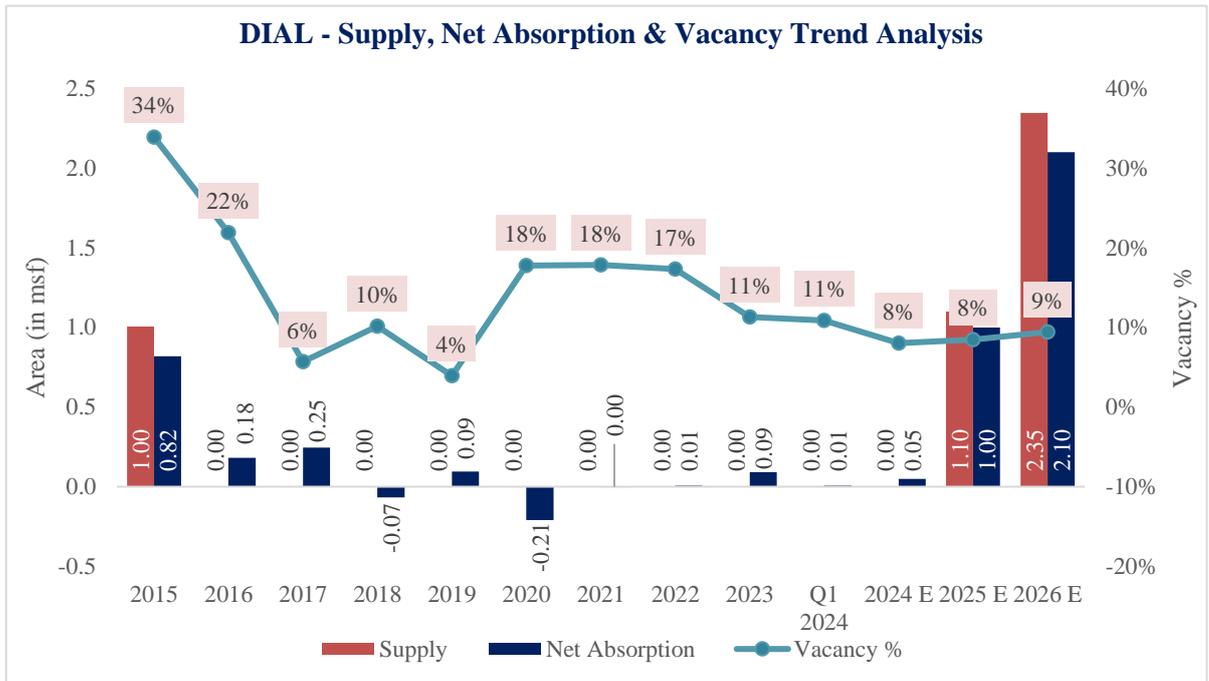
The key drivers of demand for office space in Aerocity District (DIAL) are as follows:

- **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 4.0% 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.

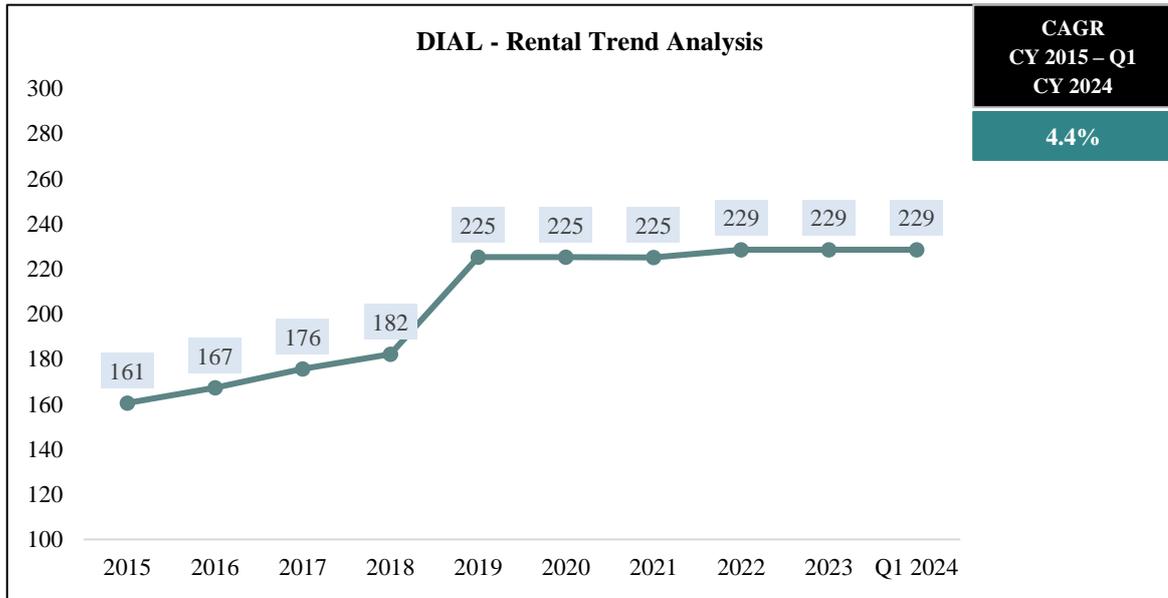
The effect of COVID-19 was visible with negative average net absorption resulting in increase of vacancy levels to approximately 18% in CY 2020. The market saw a surge in absorption starting CY 2023 pushing the vacancy levels towards south and reaching at approximately 11% as of Q1 CY 2024.

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:

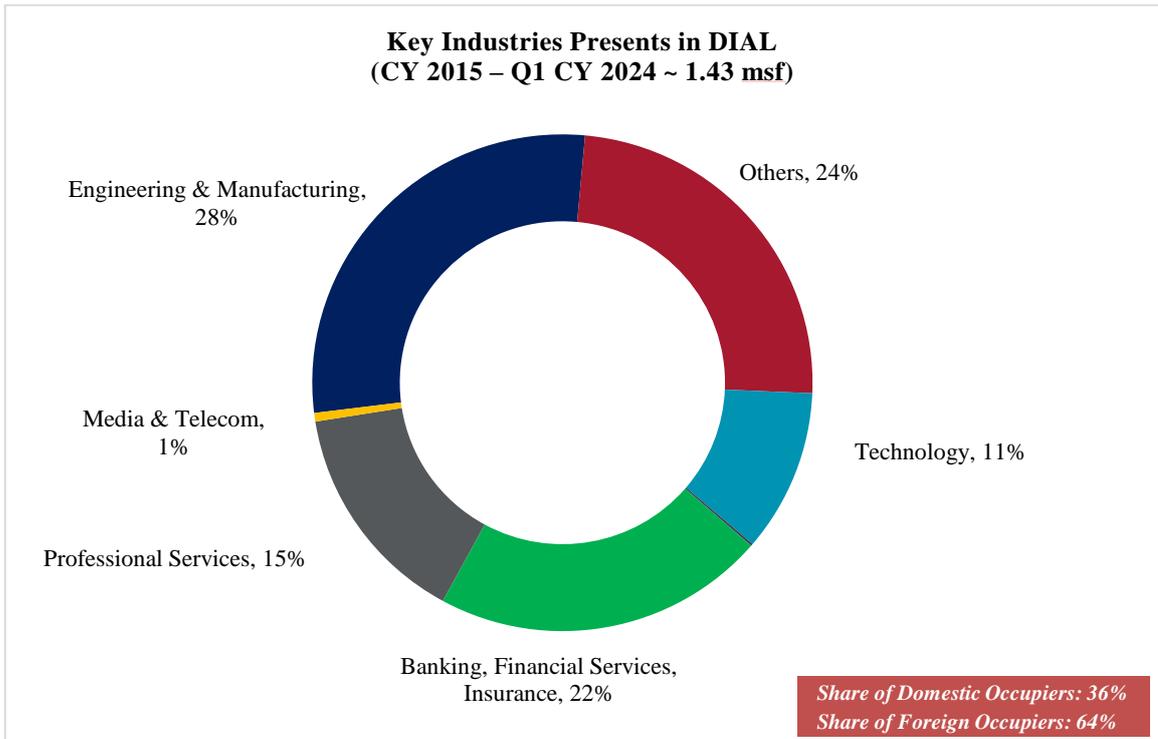
1. Only Grade A relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across DIAL.
2. The quoted rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring 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 4.4% since CY 2015.

The Subject Micro Market majorly comprise of the Subject Property, which has recently seen transactions with rentals surpassing INR 230 psf/m.



**2.8 Sectoral Demand Analysis - (CY 2015 - Q1 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 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 65% of the leasing activity for the years CY 2015 – Q1 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 64:36.



## 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 % (Q1 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 Aerocity	Aerocity District	2015	0.15 msf	~6%	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 4.0% 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 11% as of Q1 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 between 6% and 8%.

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), increasing trend in return to office, the annual growth rate of 5% to 6% 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:

<b>Particulars</b>	<b>Leasable Area (sq. ft.)</b>	<b>Floor (#)</b>	<b>Status</b>	<b>Expected Completion Date</b>
Tower 1	607,892	6	Completed	NA
<b>Total</b>	<b>607,892</b>			

*Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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>Age of building based on the date of Occupancy Certificate:</b>	Tower 1 – 8 years 8 months
<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>	597,034 sq. ft.
<b>Occupancy %:</b>	98%
<b>Current Effective Rent (excluding parking):</b>	~INR 194.73 per sq. ft per month (Office only)
<b>Current Effective Rent (excluding parking):</b>	~INR 190.65 per sq. ft. per month (Office & Retail only)
<b>Number of Tenants:</b>	25 (office) 35 (Retail)

*Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational building</li> <li>b. 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>a. 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>b. 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> <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> </ul>	



- 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 (8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 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 proposed to be 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: 8<sup>th</sup> May 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 31<sup>st</sup> March 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 Pvt. Ltd.	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 31<sup>st</sup> March 2024 and Client Information

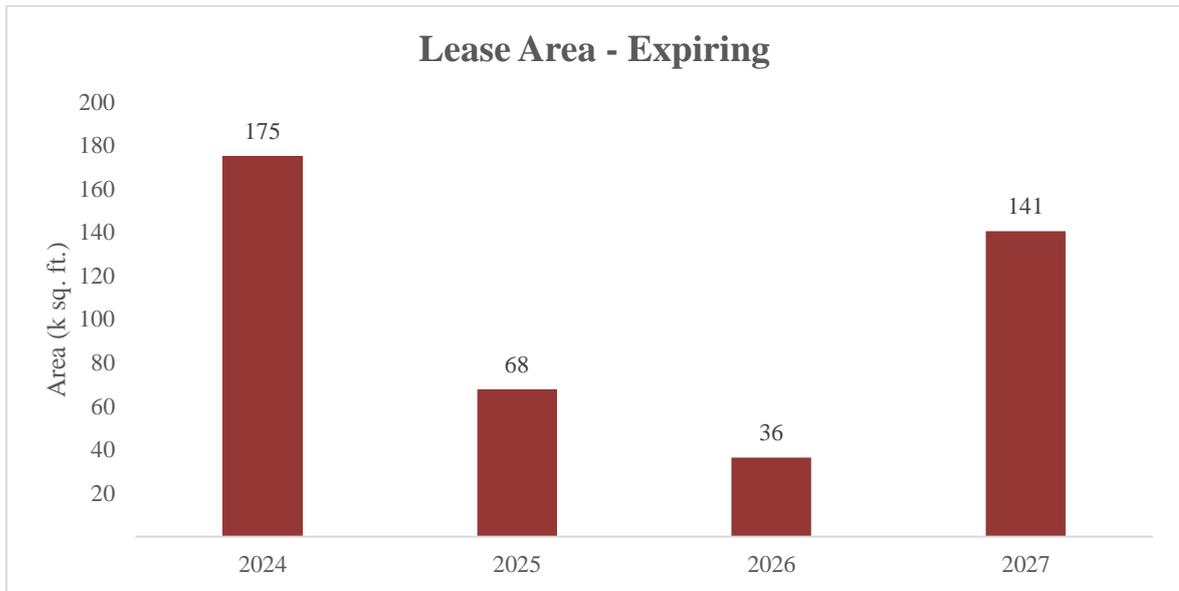
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Ernst and Young Services Pvt. Ltd.	14%
2	Cowrks India Pvt. Ltd.	10%
3	SAEL Industries Limited	9%
4	Greenlam Industries Limited	8%
5	Goods and Services Tax network	6%
6	DCM Shriram Ltd.	6%
7	Rattan India Power Ltd.	5%
8	Hitachi India Pvt. Ltd.	5%
9	Airbus Group India Pvt. Ltd.	5%
10	Tata Steel Limited	3%
<b>Total</b>		<b>71%</b>

Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 3.4 years, with ~70% of occupied area expiring between 2024 and 2027 as shown in the chart below (including office and retail tenants).



Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents April 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 31<sup>st</sup> March 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	31- March-24
Cashflow Period	Years	43
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.	597,034
Committed Occupancy*	%	98.2%
Vacant Area	sq. ft.	10,858
Vacancy	%	1.8%
Stabilized Vacancy	%	2.5%
Further Leasing	sq. ft.	-
Existing Lease Rollovers	%	99.3%
Rent Free Period – Existing Leases	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	1,190
Estimated Leasing Period	# of quarters	--

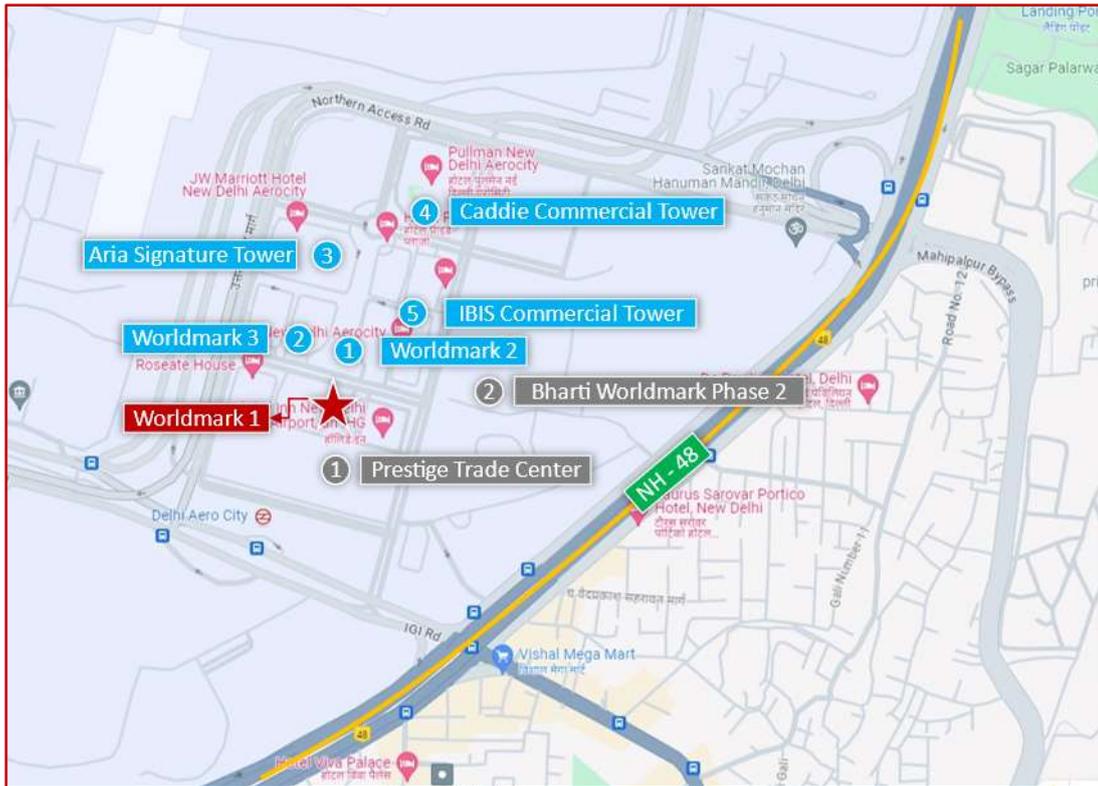
Source: Architect's Certificate (Dated: 8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 2024

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 2015 – Q1 2024, the Subject Micro Market has witnessed an average annual net absorption of approximately 0.13 msf.
  - Going forward, the Subject Micro Market is expected to have an average annual demand of approximately 1.14 msf per annum till 2026E.
  - Currently the Subject Property is 98.2% 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 200.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 204.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 180.00
Other Income	Per sq. ft. per month	INR 0.34
Rental Growth Rate (for Q3 FY'25 – Q4 FY'25)	% p.a.	2.5%
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 30.23

- **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)
<b>Blue Planet</b>	2024	9,285	215
<b>SAEL Industries Limited</b>	2024	9,780	212
<b>SAEL Industries Limited</b>	2023	40,570	210
<b>TIMDAA</b>	2023	7,010	212
<b>WAISL Limited</b>	2023	4,163	212

*Source: Rent roll as of 31<sup>st</sup> March 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 204 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 5-6% in the medium to long term.

Considering the well-maintained infrastructure, proximity to IGI Airport, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network), increasing trend in return to office, we expect the demand to increase over Q3 and Q4. Hence, we have considered a growth rate of 2.5% for Q3 & Q4 of FY'25. This is expected to be followed by constant 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.



- **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'24 and the same has been projected to increase at 5% per annum from FY'25 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 11.66
Current O&M Expense	Per sq. ft. per month	INR 23.32
Ground Rent/ License Fee	Million	INR 128.79
Property Tax	Per sq. ft./month	INR 3.05
Cost Escalation	% p.a.	5.0%
Maintenance Capex	Per sq. ft. per month	INR 2.1

- **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'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.
- **Ground Rent/ License Fee:** Ground Rent/ License Fee has been provided for FY'24 and the same has been projected to increase at 5.5% per annum from FY'25 onwards.
- **O&M Expense:** O&M Cost Fee has been provided for FY'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.



### **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 31<sup>st</sup> March 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	31 <sup>st</sup> March 2024	INR 16,723 Million	Indian Rupees Sixteen Billion Seven Hundred and Twenty-Three 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	01-Apr-24	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28	01-Apr-29	01-Apr-30	01-Apr-31	01-Apr-32	01-Apr-33	01-Apr-34
		31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals (Including Parking)	INR Million	1,394	1,526	1,538	1,568	1,668	1,696	1,801	1,893	1,940	2,027	2,212
O&M Income	INR Million	216	227	231	242	254	266	276	288	308	328	344
Other Income (Telecom)	INR Million	3	3	3	3	3	3	3	4	4	4	4
<b>Total Income</b>	<b>INR Million</b>	<b>1,613</b>	<b>1,755</b>	<b>1,772</b>	<b>1,813</b>	<b>1,925</b>	<b>1,965</b>	<b>2,081</b>	<b>2,184</b>	<b>2,251</b>	<b>2,358</b>	<b>2,559</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,613</b>	<b>1,755</b>	<b>1,772</b>	<b>1,813</b>	<b>1,925</b>	<b>1,965</b>	<b>2,081</b>	<b>2,184</b>	<b>2,251</b>	<b>2,358</b>	<b>2,559</b>
<b><u>OPERATING COSTS</u></b>												
Ground Rent/ Liscence Fee	INR Million	(136)	(143)	(151)	(160)	(168)	(178)	(187)	(198)	(209)	(220)	(232)
Property Taxes	INR Million	(23)	(25)	(26)	(27)	(28)	(30)	(31)	(33)	(35)	(36)	(38)
O&M Expense	INR Million	(175)	(184)	(193)	(202)	(212)	(223)	(234)	(245)	(257)	(270)	(284)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(334)</b>	<b>(352)</b>	<b>(370)</b>	<b>(389)</b>	<b>(409)</b>	<b>(430)</b>	<b>(452)</b>	<b>(476)</b>	<b>(501)</b>	<b>(526)</b>	<b>(554)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,279</b>	<b>1,403</b>	<b>1,402</b>	<b>1,424</b>	<b>1,517</b>	<b>1,535</b>	<b>1,629</b>	<b>1,708</b>	<b>1,751</b>	<b>1,832</b>	<b>2,005</b>
Maintenance Capex	INR Million	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Brokerage Expenses	INR Million	(43)	(7)	(8)	(39)	-	(3)	(1)	(2)	(28)	(73)	(10)
Construction costs	INR Million	(89)	(9)	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,131</b>	<b>1,371</b>	<b>1,376</b>	<b>1,366</b>	<b>1,497</b>	<b>1,512</b>	<b>1,606</b>	<b>1,683</b>	<b>1,699</b>	<b>1,734</b>	<b>1,969</b>



Particulars	Unit	01-Apr-35	01-Apr-36	01-Apr-37	01-Apr-38	01-Apr-39	01-Apr-40	01-Apr-41	01-Apr-42	01-Apr-43	01-Apr-44	01-Apr-45	01-Apr-46	01-Apr-47	01-Apr-48	01-Apr-49
		31-Mar-36	31-Mar-37	31-Mar-38	31-Mar-39	31-Mar-40	31-Mar-41	31-Mar-42	31-Mar-43	31-Mar-44	31-Mar-45	31-Mar-46	31-Mar-47	31-Mar-48	31-Mar-49	31-Mar-50
<b>OPERATING INCOME</b>																
Lease Rentals (Including Parking)	INR Million	2,264	2,342	2,553	2,615	2,762	2,933	2,978	3,064	3,361	3,443	3,560	3,883	3,977	4,200	4,461
O&M Income	INR Million	360	377	395	414	434	455	477	500	524	550	577	605	634	665	698
Other Income (Telecom)	INR Million	4	5	5	5	5	6	6	6	7	7	7	8	8	8	9
<b>Total Income</b>	<b>INR Million</b>	<b>2,629</b>	<b>2,724</b>	<b>2,954</b>	<b>3,034</b>	<b>3,201</b>	<b>3,394</b>	<b>3,462</b>	<b>3,570</b>	<b>3,892</b>	<b>4,000</b>	<b>4,143</b>	<b>4,496</b>	<b>4,619</b>	<b>4,874</b>	<b>5,167</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,629</b>	<b>2,724</b>	<b>2,954</b>	<b>3,034</b>	<b>3,201</b>	<b>3,394</b>	<b>3,462</b>	<b>3,570</b>	<b>3,892</b>	<b>4,000</b>	<b>4,143</b>	<b>4,496</b>	<b>4,619</b>	<b>4,874</b>	<b>5,167</b>
<b>OPERATING COSTS</b>																
Ground Rent/ Liscence Fee	INR Million	(245)	(258)	(273)	(288)	(303)	(320)	(338)	(356)	(376)	(396)	(418)	(441)	(466)	(491)	(518)
Property Taxes	INR Million	(40)	(42)	(44)	(46)	(49)	(51)	(54)	(56)	(59)	(62)	(65)	(68)	(72)	(75)	(79)
O&M Expense	INR Million	(298)	(313)	(328)	(345)	(362)	(380)	(399)	(419)	(440)	(462)	(485)	(509)	(535)	(562)	(590)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(583)</b>	<b>(613)</b>	<b>(645)</b>	<b>(679)</b>	<b>(714)</b>	<b>(751)</b>	<b>(790)</b>	<b>(832)</b>	<b>(875)</b>	<b>(921)</b>	<b>(969)</b>	<b>(1,019)</b>	<b>(1,072)</b>	<b>(1,128)</b>	<b>(1,187)</b>
<b>Net operating income</b>	<b>INR Million</b>	<b>2,046</b>	<b>2,110</b>	<b>2,308</b>	<b>2,356</b>	<b>2,487</b>	<b>2,643</b>	<b>2,671</b>	<b>2,739</b>	<b>3,017</b>	<b>3,079</b>	<b>3,175</b>	<b>3,477</b>	<b>3,547</b>	<b>3,745</b>	<b>3,980</b>
Maintenance Capex	INR Million	(28)	(29)	(30)	(32)	(33)	(35)	(37)	(39)	(41)	(43)	(45)	(47)	(49)	(52)	(54)
Brokerage Expenses	INR Million	(13)	(61)	-	(4)	(2)	(4)	(43)	(113)	(16)	(20)	(95)	-	(7)	(2)	(6)
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>2,006</b>	<b>2,020</b>	<b>2,278</b>	<b>2,319</b>	<b>2,452</b>	<b>2,604</b>	<b>2,591</b>	<b>2,587</b>	<b>2,960</b>	<b>3,017</b>	<b>3,035</b>	<b>3,429</b>	<b>3,490</b>	<b>3,691</b>	<b>3,920</b>

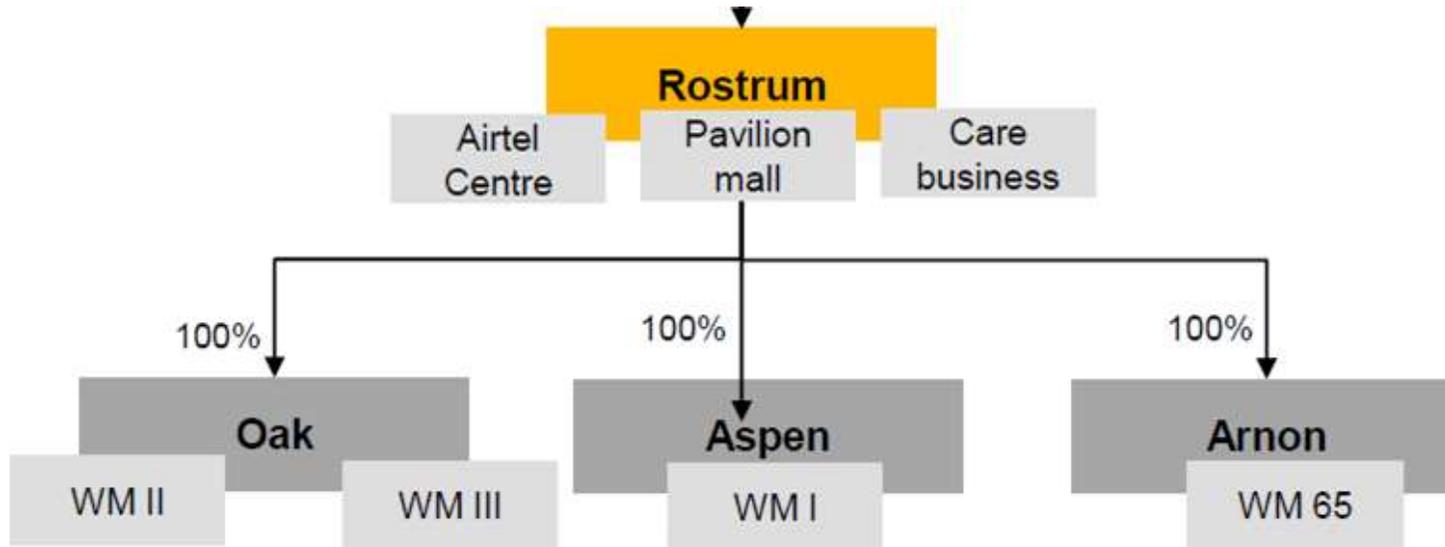


Particulars	Unit	01-Apr-50	01-Apr-51	01-Apr-52	01-Apr-53	01-Apr-54	01-Apr-55	01-Apr-56	01-Apr-57	01-Apr-58	01-Apr-59	01-Apr-60	01-Apr-61	01-Apr-62	01-Apr-63	01-Apr-64	01-Apr-65	01-Apr-66
		31-Mar-51	31-Mar-52	31-Mar-53	31-Mar-54	31-Mar-55	31-Mar-56	31-Mar-57	31-Mar-58	31-Mar-59	31-Mar-60	31-Mar-61	31-Mar-62	31-Mar-63	31-Mar-64	31-Mar-65	31-Mar-66	31-May-66
<b>OPERATING INCOME</b>																		
Lease Rentals (Including Parking)	INR Million	4,529	4,656	5,111	5,236	5,411	5,906	6,048	6,388	6,785	6,886	7,076	7,772	7,963	8,225	8,982	9,198	833
O&M Income	INR Million	732	768	805	845	886	930	975	1,023	1,074	1,127	1,182	1,241	1,302	1,366	1,434	1,505	272
Other Income (Telecom)	INR Million	9	10	10	11	11	12	12	13	14	14	15	16	17	17	18	19	3
<b>Total Income</b>	<b>INR Million</b>	<b>5,270</b>	<b>5,434</b>	<b>5,926</b>	<b>6,091</b>	<b>6,308</b>	<b>6,847</b>	<b>7,036</b>	<b>7,424</b>	<b>7,872</b>	<b>8,027</b>	<b>8,274</b>	<b>9,028</b>	<b>9,281</b>	<b>9,608</b>	<b>10,434</b>	<b>10,722</b>	<b>1,109</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>5,270</b>	<b>5,434</b>	<b>5,926</b>	<b>6,091</b>	<b>6,308</b>	<b>6,847</b>	<b>7,036</b>	<b>7,424</b>	<b>7,872</b>	<b>8,027</b>	<b>8,274</b>	<b>9,028</b>	<b>9,281</b>	<b>9,608</b>	<b>10,434</b>	<b>10,722</b>	<b>1,109</b>
<b>OPERATING COSTS</b>																		
Ground Rent/ Liscence Fee	INR Million	(547)	(577)	(608)	(642)	(677)	(714)	(754)	(795)	(839)	(885)	(934)	(985)	(1,039)	(1,096)	(1,157)	(1,220)	(322)
Property Taxes	INR Million	(83)	(87)	(92)	(96)	(101)	(106)	(111)	(117)	(123)	(129)	(136)	(142)	(149)	(157)	(165)	(173)	(45)
O&M Expense	INR Million	(619)	(650)	(683)	(717)	(753)	(790)	(830)	(871)	(915)	(961)	(1,009)	(1,059)	(1,112)	(1,168)	(1,226)	(1,287)	(338)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(1,249)</b>	<b>(1,314)</b>	<b>(1,383)</b>	<b>(1,455)</b>	<b>(1,531)</b>	<b>(1,611)</b>	<b>(1,695)</b>	<b>(1,784)</b>	<b>(1,877)</b>	<b>(1,975)</b>	<b>(2,078)</b>	<b>(2,186)</b>	<b>(2,301)</b>	<b>(2,421)</b>	<b>(2,547)</b>	<b>(2,681)</b>	<b>(705)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>4,021</b>	<b>4,119</b>	<b>4,543</b>	<b>4,636</b>	<b>4,777</b>	<b>5,237</b>	<b>5,341</b>	<b>5,640</b>	<b>5,995</b>	<b>6,052</b>	<b>6,196</b>	<b>6,842</b>	<b>6,980</b>	<b>7,187</b>	<b>7,887</b>	<b>8,041</b>	<b>404</b>
Maintenance Capex	INR Million	(57)	(60)	(63)	(66)	(70)	(73)	(77)	(80)	(84)	(89)	(93)	(98)	(103)	(108)	(113)	(119)	(31)
Brokerage Expenses	INR Million	(67)	(176)	(25)	(31)	(147)	-	(11)	(4)	(9)	(104)	(273)	(38)	(48)	(228)	-	(17)	-
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>3,897</b>	<b>3,884</b>	<b>4,455</b>	<b>4,539</b>	<b>4,560</b>	<b>5,164</b>	<b>5,253</b>	<b>5,556</b>	<b>5,902</b>	<b>5,860</b>	<b>5,830</b>	<b>6,706</b>	<b>6,830</b>	<b>6,851</b>	<b>7,774</b>	<b>7,906</b>	<b>372</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.

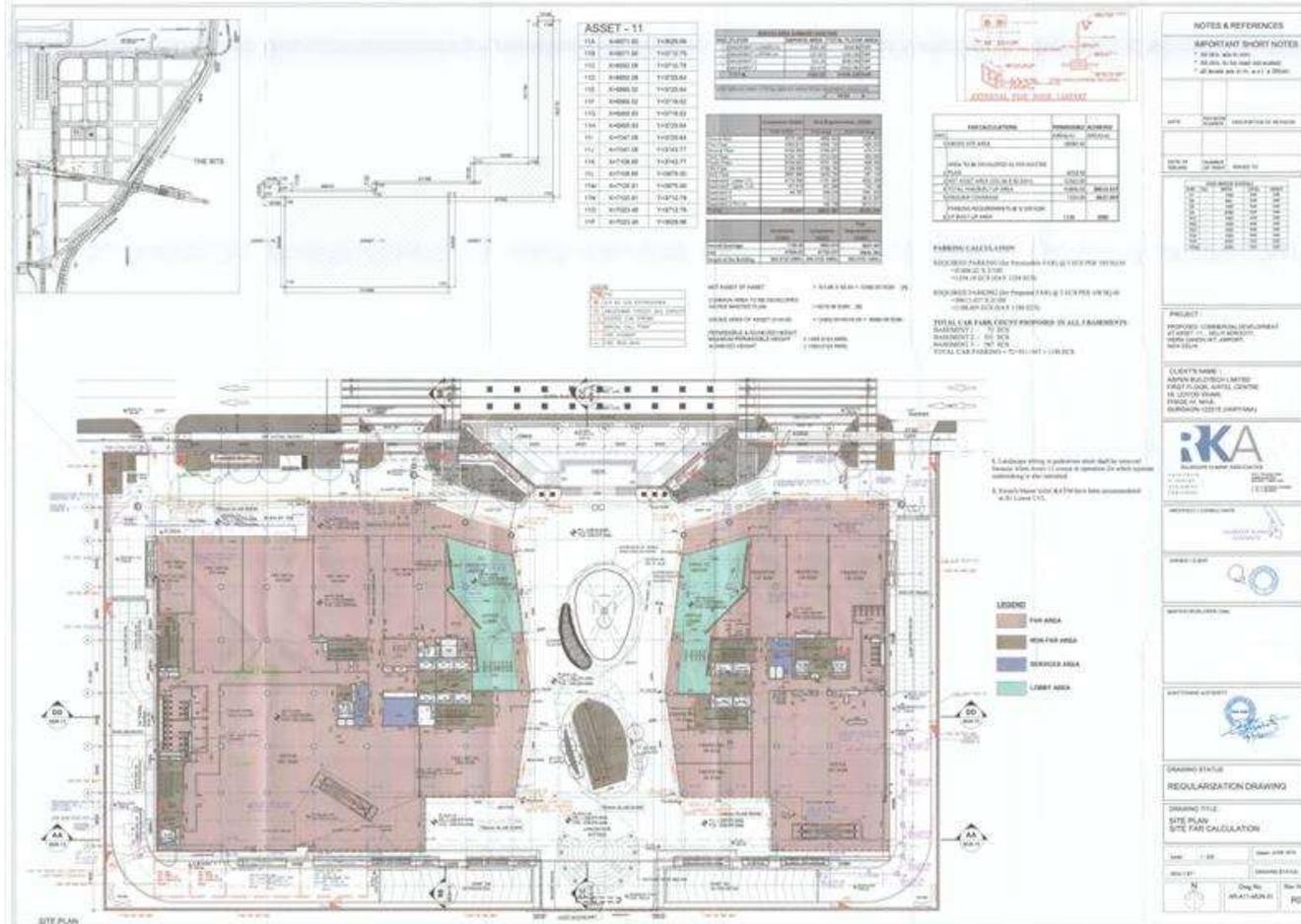


Annexure 2: Ownership Structure





**Annexure 3: Site Layout**



Source: As provided by Client

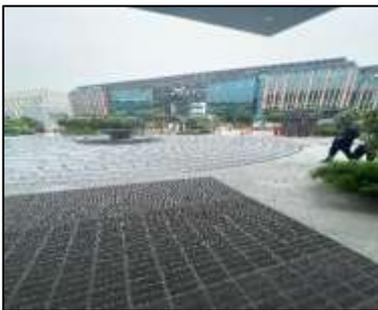
**Annexure 4: Subject Property Photographs**



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: 31<sup>st</sup> March 2024

Date of Report: 10<sup>th</sup> May 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" or "REIT") and / or its associates and its unitholders for the proposed acquisition. 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 Brookfield India REIT may share the report with its appointed advisors for any statutory or reporting requirements or include it in stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document/any publicity material / research reports / presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the property by Brookfield India REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 09<sup>th</sup> April 2024 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 09<sup>th</sup> April 2024. 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 2 and 3, Aerocity District (DIAL), NCR</b>	
<b>Valuation Date:</b>	31 <sup>st</sup> March 2024
<b>Site Visit Date:</b>	22 <sup>nd</sup> April 2024
<b>Valuation Methodology:</b>	Discounted Cash Flow using Rental Reversion
<b>Valuation Purpose:</b>	Disclosure of valuation of asset to be formed as a 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>
<b>Description:</b>	<p>The Subject Property is a completed office cum retail development comprising of leasehold rights over a land area of approximately 7.6 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 8,46,236 sq. ft. of leasable area. Currently the committed occupancy* in the completed buildings is 84.2%. The bifurcation of office, retail, and atelier area is as follows:</p> <p>Office leasable area : 665,056 sq. ft. Retail leasable area : 121,186 sq. ft. Atelier leasable area : 59,995 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>
	 <p>External View of World Mark Tower 2</p>  <p>External View of World Mark Tower 3</p>  <p>Internal view of the Subject Property</p>  <p>Internal view of the Subject Property</p>  <p>Primary access road of the Subject Property</p>



	<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 4,32,652 sq. ft. of which 97.3% is leased as on the date of valuation. It has premium office property suites at ground and lower ground floor.</p> <p>The prominent tenants in the tower 2 are Safran India, BAE Systems, Sumitomo, International Monetary Fund (IMF), Grand Thornton, Walker ChandioK, 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 70.5% is leased as on the date of valuation.</p> <p>The prominent tenants in tower 3 are Accenture Solutions, Mitsui &amp; co., The Trade Office of Embassy of Republic of Korea, International Finance Corporation, Verizon Communications, SAS Institute, CDPQ, Bharat Certis Aqriscience, 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>
<p><b>Total Area:</b></p>	<p>Total Land Area: 4.5 Acres</p> <p>Leasable Area Worldmark 2: 4,32,652 sq. ft. (Office – 341,067 sq. ft., Retail – 32,852 sq. ft., Atelier – 58,733 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: 8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 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 31st March 2024 is as follows:

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures Tower 2</b>	<b>In Words</b>
Completed Building	31 <sup>st</sup> March 2024	INR 12,277 Million	Indian Rupees Twelve Billion Two Hundred and Seventy - Seven Million Only
<b>Component</b>	<b>Market Value as on</b>	<b>In Figures Tower 3</b>	<b>In Words</b>
Completed Building	31 <sup>st</sup> March 2024	INR 11,381 Million	Indian Rupees Eleven Billion Three Hundred and Eighty - 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**

**Property: Worldmark 2 and 3, Aerocity District, DIAL, NCR**

**Report Date: 10<sup>th</sup> May 2024**

**Valuation Date: 31<sup>st</sup> March 2024s**

## **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 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 proposed acquisition 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 16 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 Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations issued by the Securities and Exchange Board of India ("SEBI") or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to the Acquisition, including any preliminary or final international offering documents for distribution to investors outside India, and any publicity material, research reports, presentations or press releases, in connection with the Acquisition (collectively, the "Documents").

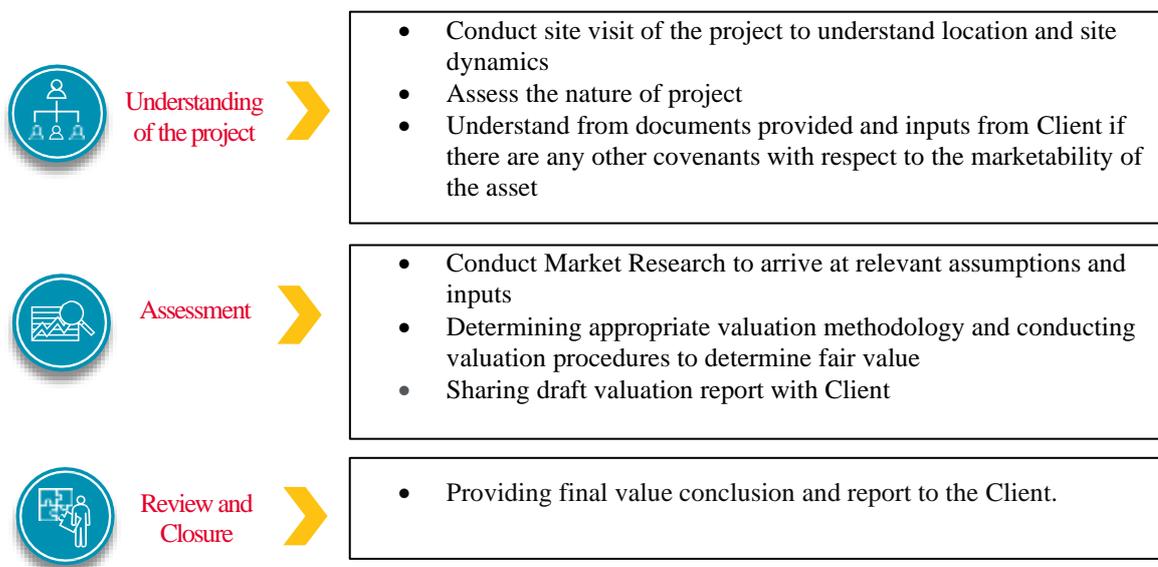


## 5 Basis of Valuation

It is understood that the valuation is required by the Client of the Subject Property which is proposed to be acquired (“Proposed Acquisition”) by Brookfield India REIT, in accordance with 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 and for accounting purposes. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, 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 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, proposed to be 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 proposed to be 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 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 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 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 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 & 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 Q1 CY 2024 (msf)</b>	92.37	3.45	1.52	64.12	23.29
<b>Current Occupied Stock till Q1 CY 2024 (msf)</b>	72.01	2.65	1.35	50.23	17.77
<b>Current Vacancy Q1 CY 2024 (%)</b>	22.0%	23.2%	10.9%	21.7%	23.7%
<b>Avg. Annual Absorption CY 2015 – Q1 CY 2024 (msf)</b>	3.54	0.16	0.13	2.30	0.96
<b>Future Supply Q2 CY 2024 E – CY 2026 E (msf)</b>	15.88	-	3.45	8.32	4.11
<b>Market Rent – Q1 CY 2024 (INR psf / month)</b>	89	146	229	95	54
<b>CAGR for Market Rent (CY 2015 – Q1 CY 2024)</b>	2.0%	1.1%	4.4%	2.1%	3.7%

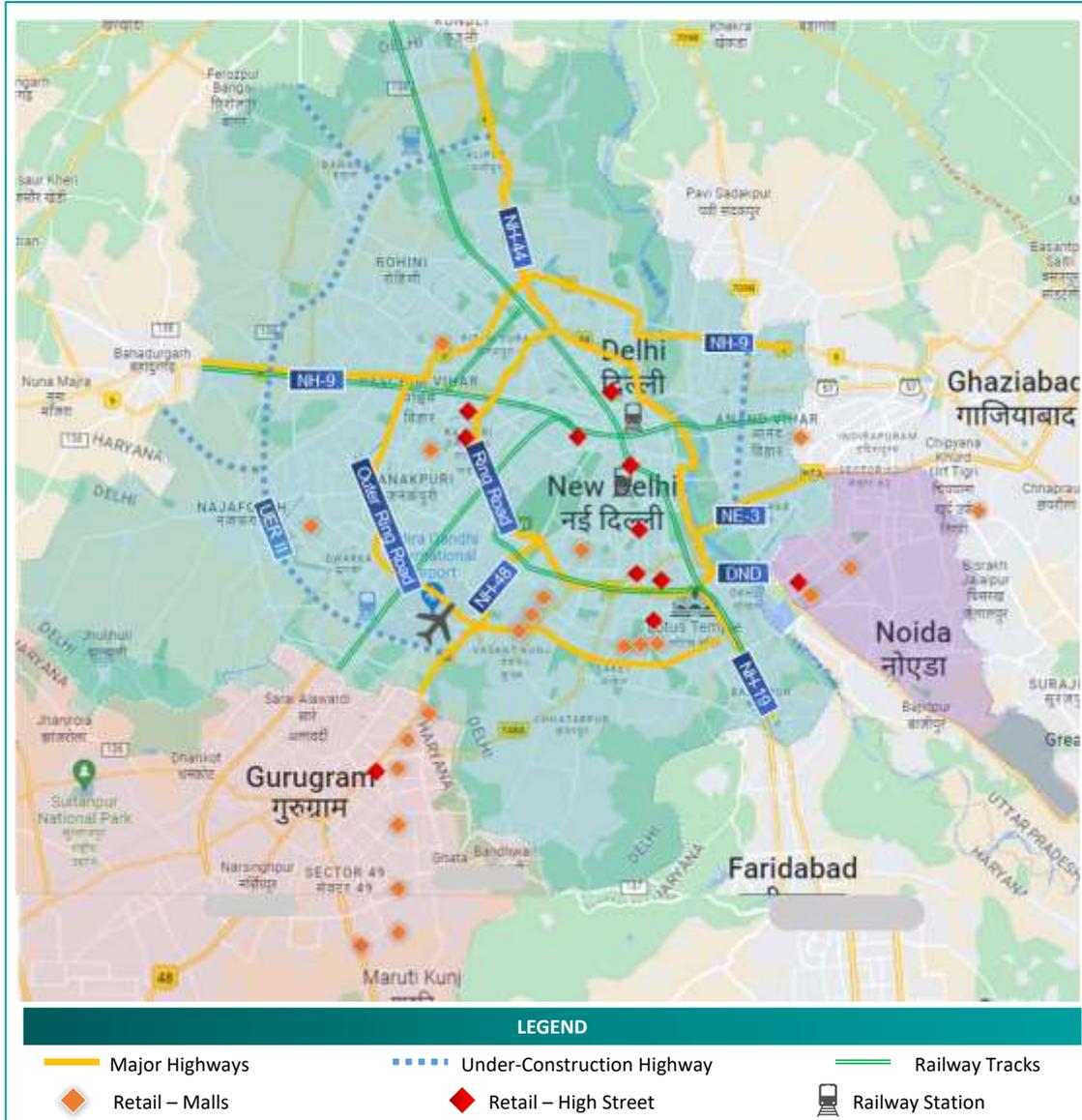
Source: Cushman and Wakefield Research

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)*

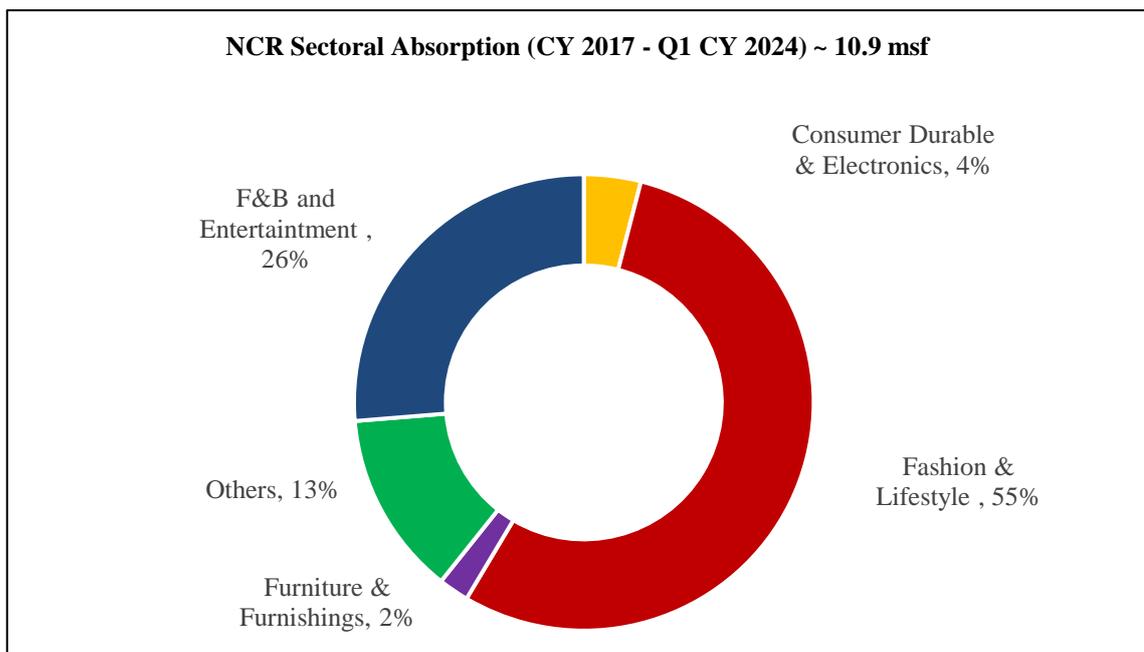
In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. Delhi NCR has adeptly embraced and accommodated this evolving trend. This 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 26% of the retail absorption from CY 2017 till Q1 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:

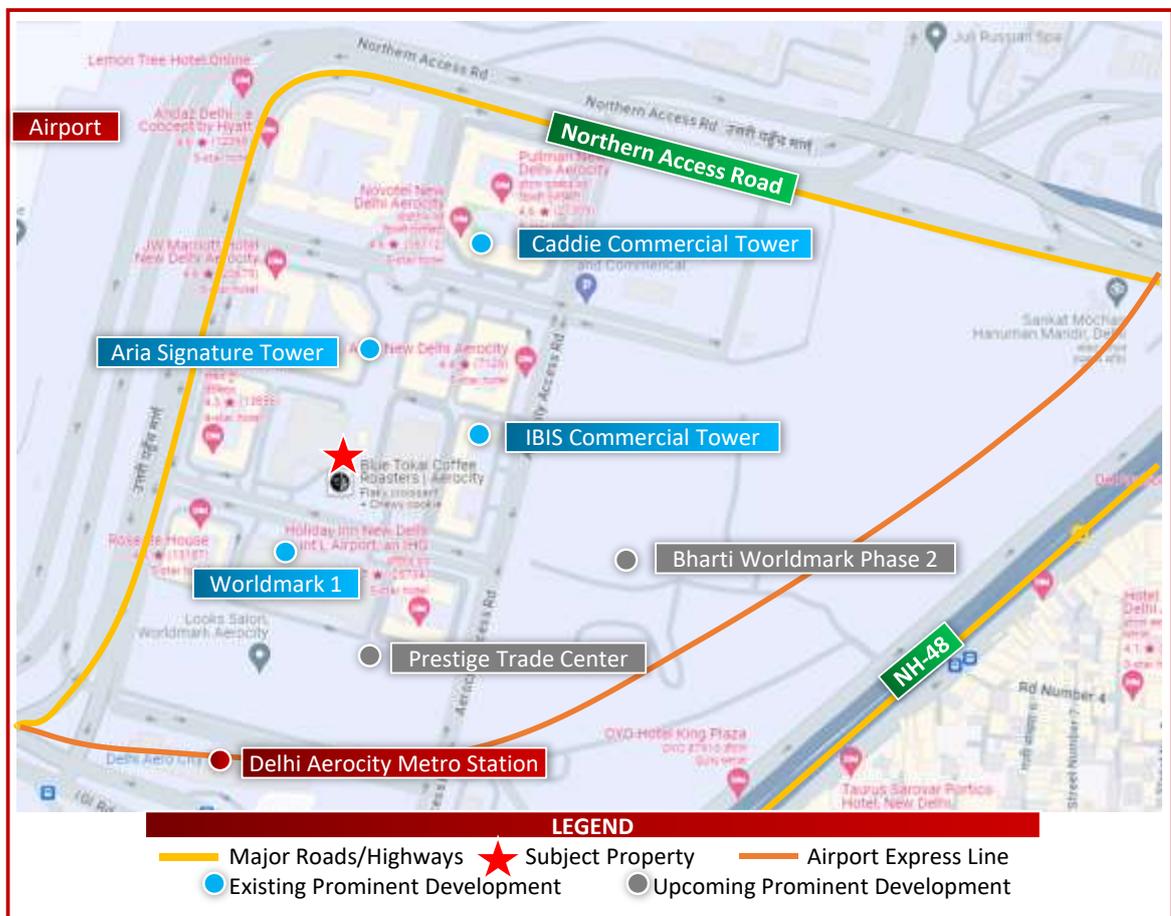
1. **Proximity to prominent residential nodes** - Malls located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor 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 2 & 3 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 Commercial Developments
- Social Infrastructure
- Lifestyle Infrastructure
- Proposed/Under Construction Office Developments
- Hospitality Developments
- Higher Educational Institutions

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposes/Under Construction Office Developments	Hospitality Developments	Higher Education Institutes
1) Subject Property (along with 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)			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 Residencies (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 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 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 (Q1 CY 2024)</b>	Approximately 1.52 msf
<b>Current Occupied Stock (Q1 CY 2024)</b>	Approximately 1.35 msf
<b>Current Vacancy (Q1 CY 2024)</b>	Approximately 10.9%
<b>Avg. Annual Net Absorption (CY 2015 – Q1 CY 2024)</b>	Approximately 0.13 msf
<b>Future Supply (Q2 CY 2024 E – CY 2026 E)</b>	Q2 CY 2024E to Q4 CY2024E: NIL CY 2025E: Approximately 1.1 msf CY 2026E: Approximately 2.35 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.

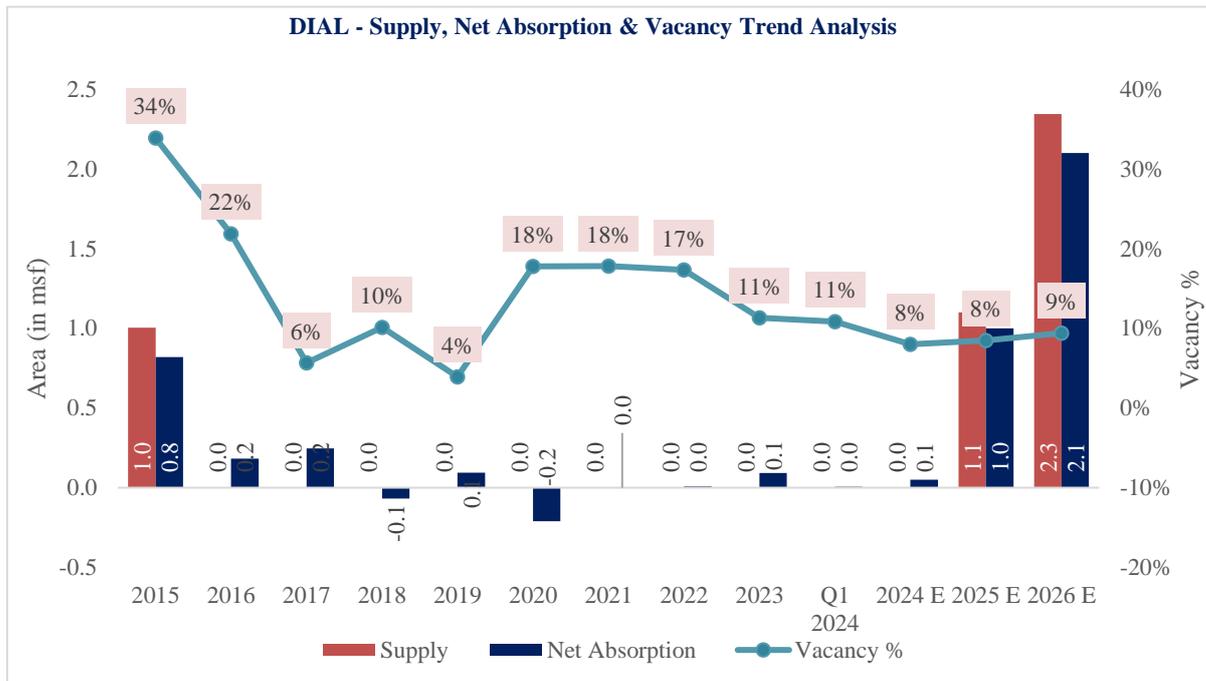
The key drivers of demand for office space in DIAL are as follows:

- **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:



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 4.0% 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.

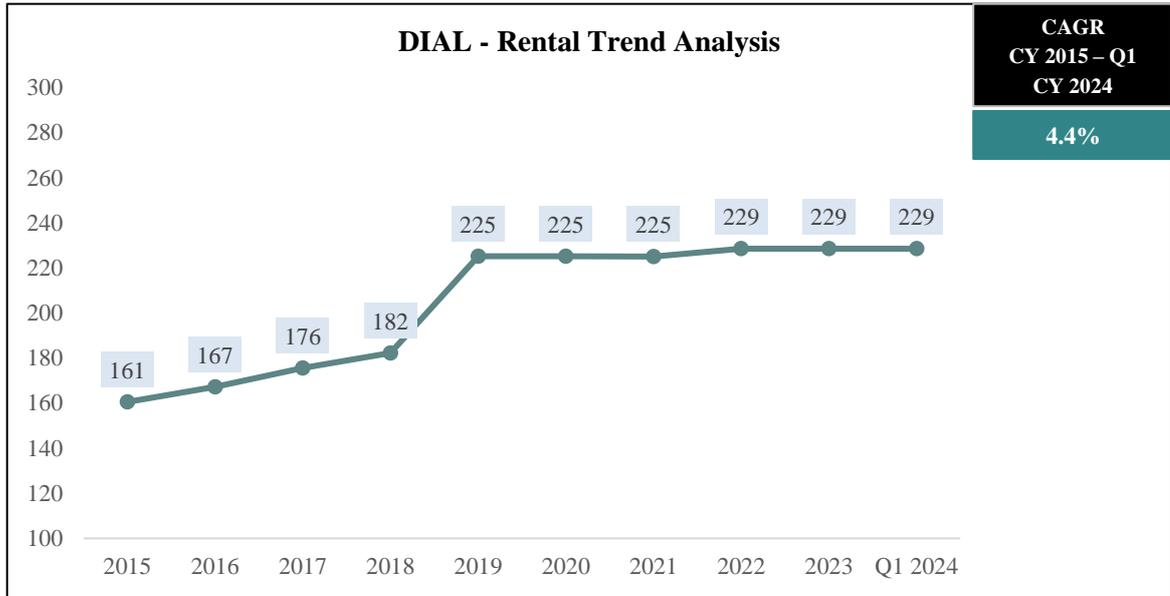
The effect of COVID-19 was visible with negative average net absorption resulting in increase of vacancy levels to approximately 18% in CY 2020. The market saw a surge in absorption starting CY 2023 pushing the vacancy levels towards south and reaching at approximately 11% as of Q1 CY 2024.

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:

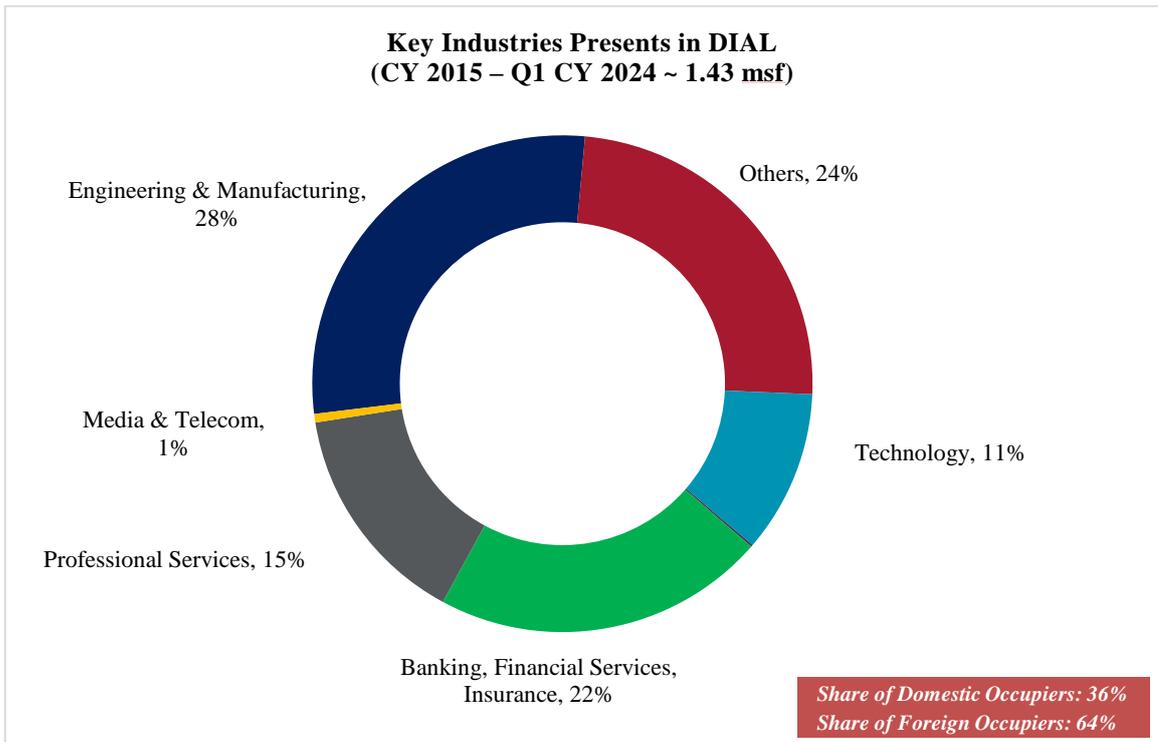
1. Only Grade A relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across DIAL.
2. The quoted rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring 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 4.4% since CY 2015.

The Subject Micro Market majorly comprises of the Subject Property, which has recently seen transactions with rentals surpassing INR 230 psf/m.



**2.8 Sectoral Demand Analysis - (CY 2015 - Q1 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 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 65% of the leasing activity for the years CY 2015 – Q1 CY 2024. The tenants are attracted to 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 64:36.



## 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. Upcoming Supply Proximity to residential zones of Delhi and Gurugram:** Worldmark is coming up with new developments of commercial towers with retail area on ground floor in tower 4,5,6 & 7 and a dedicated retail centre comprise of saleable area of approximately 2.8 million sq. ft. along with existing retail space of 0.3 million sq. ft. 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.
- 4. Proximity to IGI:** DIAL is well-connected to key nodes of the city via road and metro due to its strategic location near Delhi Airport. The Aerocity Metro Station, which is part of the Airport Express Line, is within walking distance. This provides seamless connectivity to various parts of Delhi and its neighbouring areas.

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.



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 % (Q1 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 Aerocity	Aerocity District	2015	0.15 msf	~6%	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 (DIAL) or Airport District. 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 4.0% 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 11% as of Q1 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 between 6% and 8%.

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), increasing trend in return to office, the annual growth rate of 5% to 6% 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 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)

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:

<b>Particulars</b>	<b>Leasable Area (sq. ft.)</b>	<b>Floor (#)</b>	<b>Status</b>	<b>Expected Completion Date</b>
Tower 2	432,652	6	Completed	NA
Tower 3	413,584	6	Completed	NA
<b>Total</b>	<b>846,236</b>			

*Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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**

<b>Particulars</b>	<b>Details</b>
<b>Entity:</b>	Oak Infrastructure Developers Limited
<b>Age of building based on the date of Occupancy Certificate:</b>	9 Years 1 Month
<b>Asset Type:</b>	Commercial
<b>Sub-Market:</b>	DIAL (Aerocity District)
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~2.20
<b>Freehold/Leasehold:</b>	Leasehold Land
	Office – 341,067 sq. ft.
<b>Leasable Area: (including office, retail &amp; atelier)</b>	Retail – 32,852 sq. ft. Atelier – 58,733 sq. ft. Total – 432,652 sq. ft.
<b>Occupied Area: (including office, retail &amp; atelier)</b>	420,926 sq. ft.
<b>Occupancy %:</b>	~97.3%
<b>Current Effective Rent (excluding parking):</b>	INR 205.55 per sq. ft. per month (Office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 226.00 per sq. ft per month (Office, Retail and Atelier only)
<b>Number of Tenants:</b>	34 (Office) 19 (Retail) 7 (Atelier)

*Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 2024, Lease Deeds / Leave and Licence Agreements and Client information.*

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



**Worldmark Tower 3**

Particulars	Details
<b>Entity:</b>	Oak Infrastructure Developers Limited
<b>Age of building based on the date of Occupancy Certificate:</b>	8 Years 1 Month
<b>Asset Type:</b>	Commercial
<b>Sub-Market:</b>	DIAL (Aerocity District)
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~2.30
<b>Freehold/Leasehold:</b>	Leasehold Land
<b>Leasable Area: (including office, retail &amp; atelier)</b>	Office - 323,989 sq. ft.
	Retail – 27,143 sq. ft.
	Atelier – 62,453 sq. ft.
	Total – 413,584 sq. ft.
<b>Occupied Area: (including office, retail &amp; atelier)</b>	291,766 sq. ft.
<b>Occupancy %:</b>	~70.5%
<b>Current Effective Rent (excluding parking):</b>	INR 213.45 per sq. ft per month (office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 208.09 per sq. ft per month (Office, Retail and Atelier only)
<b>Number of Tenants:</b>	18 (Office)
	5 (Retail)

*Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational building</li> <li>b. 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 432,652 sq. ft. of leasable area.</p> <p>The operational building comprises:</p> <ol style="list-style-type: none"> <li>a. Office: Worldmark (Tower 2) having leasable area of 341,067 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>b. Retail: Ground floor and lower ground floor are dedicated for retail having total leasable area of 32,852 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>c. Atelier: Subject Property constitutes 58,733 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 (8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 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.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational building</li> <li>b. 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>a. Office: Worldmark (Tower 3) having leasable area of 323,989 sq. ft. The office tower is occupied by multiple tenants. Major tenants in these tower are Mitsui, International Finance Corporation, Accenture, and Chanel (India) Pvt. Ltd.</li> <li>b. 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>c. 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 (8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 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 proposed to be 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: 8<sup>th</sup> May 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 31<sup>st</sup> March 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 31<sup>st</sup> March 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Brookprop Management Services	10%
2	International Monetary Fund (IMF)	6%
3	MUFG Bank Limited	5%
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 31<sup>st</sup> March 2024 and Client Information

\* Bharti Realty (Group Companies) includes (M/s Alborz Developers Limited and Bharti Land limited).



**TOWER 3**

As of 31<sup>st</sup> March 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~78% of leased area and ~80% 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	SMBC	34,319
4	Accenture	17,015
5	Bharat Certis Agriscience	12,308
6	GEAPP Serviceco (India) Private Limited	12,236
7	CDPQ	12,074
8	Chanel	11,819
9	SAS Institute	10,277
10	Vishwa Samudra Engineering	9,177
<b>Total</b>		<b>227,256</b>

Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Mitsui & Co.	24%
2	International Finance Corporation	14%
3	SMBC	12%
4	Accenture	6%
5	Bharat Certis Agriscience	4%
6	GEAPP Serviceco (India) Private Limited	4%
7	CDPQ	4%
8	Chanel	4%
9	SAS Institute	4%
10	Vishwa Samudra Engineering	3%
<b>Total</b>		<b>80%</b>

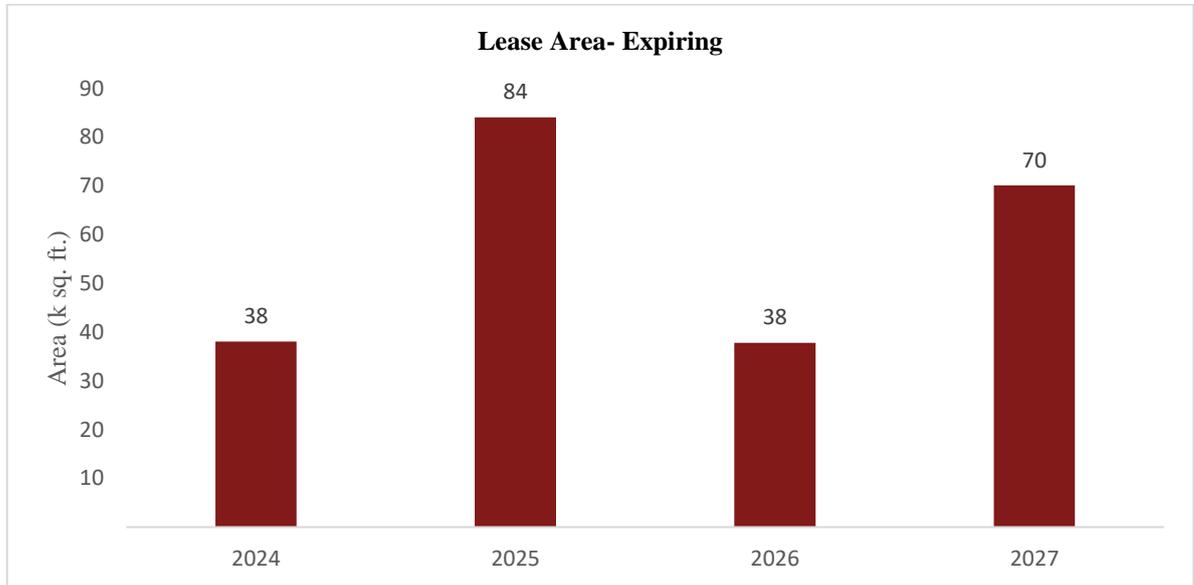
Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information



### 3.2.3 Lease Expiry Profile

#### TOWER 2

The Weighted Average Lease Expiry (WALE) of the Subject Property is 4.2 years, with ~55% 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 31<sup>st</sup> March 2024 and Client Information

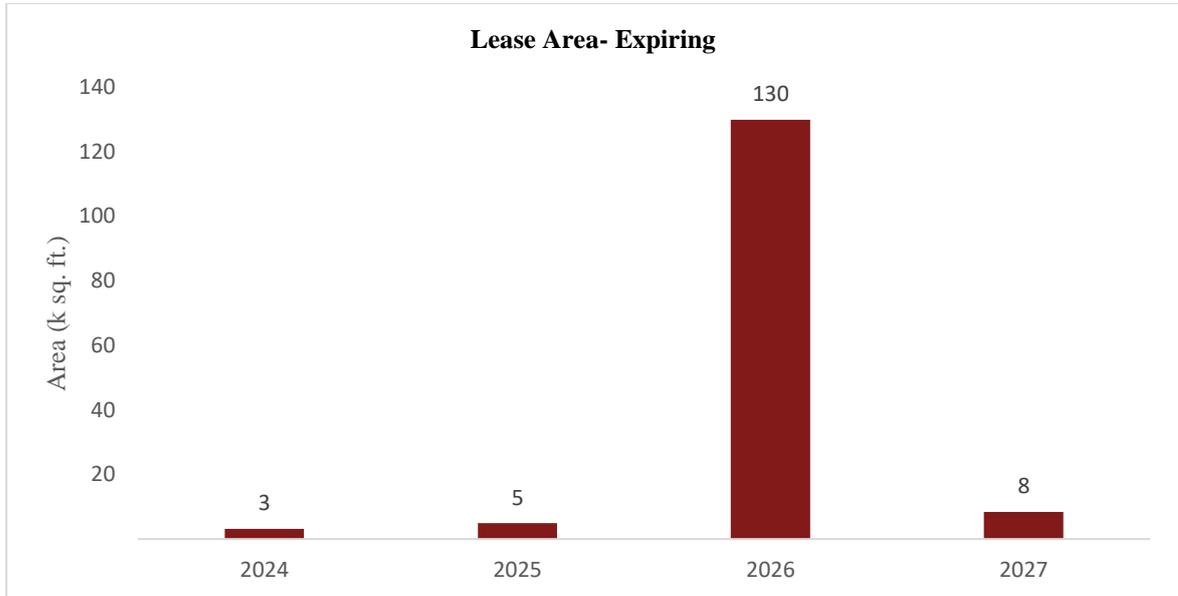
Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents April 2024 to December 2024.



**TOWER 3**

The Weighted Average Lease Expiry (WALE) of the Subject Property is 4.9 years, with ~50% 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 31<sup>st</sup> March 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents April 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 of 31st March 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-24
Cashflow Period	Years	43
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.	432,652	413,584
Area Leased	sq. ft.	420,926	291,766
Committed Occupancy*	%	97.3%	70.5%
Vacant Area	sq. ft.	11,726	1,21,819
Vacancy	%	2.7%	29.5%
Stabilized Vacancy	%	2.5%	2.5%
Further Leasing	sq. ft.	910	111,479
Existing Lease Rollovers	%	100%	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	5

Source: Architect's Certificate (8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 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 2015 – Q1 2024, the Aerocity District (DIAL) has witnessed an average annual net absorption of approximately 0.13 msf.
  - Going forward, the Subject Micro Market is expected to have an average annual demand of approximately 1.14 msf per annum till 2026E.
  - For Tower 2 considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~900 sf within 1 quarter starting April 2024 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - For Tower 3 considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.11 msf within 5 quarters starting from July 2024 and 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 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 200	INR 200
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 204	INR 204
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 0.35	INR 0.25
Rental Growth Rate (for Q3 FY'25 – Q4FY'25)	% p.a.	2.5%	2.5%
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 31.52	INR 33.62

- **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:** In year FY' 2024, approximately 0.03 msf was leased in the rental range of INR 210 – 225 per sq. ft. per month (including parking).

#### **Tower 2: Lease Transactions FY' 2023-2024:**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
<b>Safran</b>	2024	9,656	220
<b>Brookprop</b>	2023	46,933	200

Source: Rent roll as of 31<sup>st</sup> March 2024 and Client Information

#### **Tower 3: Lease Transactions FY' 2023-2024:**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
<b>Vishwa Samudra Engineering</b>	2023	9,177	225
<b>Aviom</b>	2023	7,241	212
<b>GEAPP Serviceco</b>	2023	12,236	220
<b>Osaka Gas</b>	2023	3,842	220
<b>Techaviom</b>	2023	800	212

Source: Rent roll as at 31<sup>st</sup> March 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 204 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 5-6% in the medium to long term.

Considering the well-maintained infrastructure, proximity to IGI Airport, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network), increasing trend in return to office, we expect the demand to increase over Q3 and Q4. Hence, we have considered a growth rate of 2.5% for Q3 & Q4 of FY'25. This is expected to be followed by constant 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.
- **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'24 and the same has been projected to increase at 5% per annum from FY'25 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 11.61	INR 11.47
O&M Expense	Per sq. ft./month	INR 23.23	INR 22.95
Property Tax	Per sq. ft./month	INR 2.86	INR 2.64
Ground rent/ License Fee	Annual/ Million	INR 93.02	INR 87.29
Atelier Expense	Per sq. ft./month	INR 66.77	INR 67.05
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'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.
- **Atelier Expense:** Atelier Expense has been provided for the year FY'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.
- **Ground/ License Fee:** Ground Rent/ License Fee has been provided for FY'24 and the same has been projected to increase at 5.5% per annum from FY'25 onwards.
- **O&M Expense:** CAM / O&M Cost Fee has been provided for FY'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.



### 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 31<sup>st</sup> March 2024, is as follows:

Component	Market Value as on	In Figures Tower 2	In Words
Completed Building	31 <sup>st</sup> March 2024	INR 12,277 Million	Indian Rupees Twelve Billion Two Hundred and Seventy - Seven Million Only
Component	Market Value as on	In Figures Tower 3	In Words
Completed Building	31 <sup>st</sup> March 2024	INR 11,381 Million	Indian Rupees Eleven Billion Three Hundred and Eighty - One 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	01-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33	1-Apr-34
		31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35
<b>OPERATING INCOME</b>												
Lease Rentals (Including Parking Income)	INR Million	1,150	1,191	1,244	1,259	1,307	1,362	1,410	1,469	1,539	1,605	1,673
O&M Income	INR Million	129	132	137	142	150	158	164	171	183	190	197
Other Income (Telecom)	INR Million	2	2	2	2	2	2	3	3	3	3	3
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,281</b>	<b>1,325</b>	<b>1,383</b>	<b>1,403</b>	<b>1,460</b>	<b>1,523</b>	<b>1,576</b>	<b>1,643</b>	<b>1,725</b>	<b>1,797</b>	<b>1,873</b>
<b>OPERATING COSTS</b>												
Ground Rent/ Liscence Fee	INR Million	(98)	(104)	(109)	(115)	(122)	(128)	(135)	(143)	(151)	(159)	(168)
Property Taxes	INR Million	(16)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
O&M Expense	INR Million	(123)	(130)	(136)	(143)	(150)	(158)	(165)	(174)	(182)	(192)	(201)
Extra expense for Atelier	INR Million	(42)	(44)	(46)	(49)	(51)	(54)	(56)	(59)	(62)	(65)	(68)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(279)</b>	<b>(294)</b>	<b>(309)</b>	<b>(325)</b>	<b>(342)</b>	<b>(359)</b>	<b>(378)</b>	<b>(398)</b>	<b>(418)</b>	<b>(440)</b>	<b>(463)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,002</b>	<b>1,032</b>	<b>1,074</b>	<b>1,078</b>	<b>1,118</b>	<b>1,164</b>	<b>1,198</b>	<b>1,245</b>	<b>1,307</b>	<b>1,358</b>	<b>1,410</b>
Maintenance Capex	INR Million	(11)	(12)	(13)	(13)	(14)	(15)	(15)	(16)	(17)	(18)	(19)
Brokerage Expenses	INR Million	(11)	(24)	(10)	(12)	(11)	(3)	(4)	(13)	(21)	(17)	(38)
Total construction costs	INR Million	(102)	(5)	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>878</b>	<b>990</b>	<b>1,051</b>	<b>1,053</b>	<b>1,093</b>	<b>1,146</b>	<b>1,178</b>	<b>1,216</b>	<b>1,269</b>	<b>1,323</b>	<b>1,354</b>

**Worldmark 2 and 3  
Aerocity District, DIAL, NCR**



Particulars	Unit	1-Apr-35	1-Apr-36	1-Apr-37	1-Apr-38	1-Apr-39	1-Apr-40	1-Apr-41	1-Apr-42	1-Apr-43	1-Apr-44	1-Apr-45	1-Apr-46	1-Apr-47	1-Apr-48
		31-Mar-36	31-Mar-37	31-Mar-38	31-Mar-39	31-Mar-40	31-Mar-41	31-Mar-42	31-Mar-43	31-Mar-44	31-Mar-45	31-Mar-46	31-Mar-47	31-Mar-48	31-Mar-49
<b>OPERATING INCOME</b>															
Lease Rentals (Including Parking Income)	INR Million	1,777	1,829	1,938	2,052	2,125	2,228	2,340	2,426	2,519	2,702	2,781	2,946	3,121	3,232
O&M Income	INR Million	206	216	227	237	249	261	273	287	301	315	330	347	363	381
Other Income (Telecom)	INR Million	3	3	4	4	4	4	4	5	5	5	5	6	6	6
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,987</b>	<b>2,049</b>	<b>2,168</b>	<b>2,293</b>	<b>2,378</b>	<b>2,493</b>	<b>2,617</b>	<b>2,717</b>	<b>2,825</b>	<b>3,023</b>	<b>3,117</b>	<b>3,299</b>	<b>3,490</b>	<b>3,619</b>
<b>OPERATING COSTS</b>															
Ground Rent/ Lisence Fee	INR Million	(177)	(187)	(197)	(208)	(219)	(231)	(244)	(257)	(271)	(286)	(302)	(319)	(336)	(355)
Property Taxes	INR Million	(27)	(28)	(29)	(31)	(32)	(34)	(36)	(38)	(39)	(41)	(43)	(46)	(48)	(50)
O&M Expense	INR Million	(211)	(222)	(233)	(244)	(257)	(269)	(283)	(297)	(312)	(328)	(344)	(361)	(379)	(398)
Extra expense for Atelier	INR Million	(72)	(75)	(79)	(83)	(87)	(92)	(96)	(101)	(106)	(112)	(117)	(123)	(129)	(136)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(487)</b>	<b>(512)</b>	<b>(538)</b>	<b>(566)</b>	<b>(595)</b>	<b>(626)</b>	<b>(659)</b>	<b>(693)</b>	<b>(729)</b>	<b>(767)</b>	<b>(806)</b>	<b>(848)</b>	<b>(892)</b>	<b>(939)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,500</b>	<b>1,537</b>	<b>1,630</b>	<b>1,727</b>	<b>1,782</b>	<b>1,867</b>	<b>1,959</b>	<b>2,024</b>	<b>2,096</b>	<b>2,256</b>	<b>2,311</b>	<b>2,450</b>	<b>2,598</b>	<b>2,680</b>
Maintenance Capex	INR Million	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(28)	(29)	(30)	(32)	(33)	(35)	(37)
Brokerage Expenses	INR Million	(16)	(19)	(17)	(5)	(6)	(21)	(32)	(27)	(59)	(25)	(30)	(26)	(8)	(10)
Total construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,464</b>	<b>1,497</b>	<b>1,591</b>	<b>1,699</b>	<b>1,752</b>	<b>1,821</b>	<b>1,900</b>	<b>1,970</b>	<b>2,008</b>	<b>2,201</b>	<b>2,249</b>	<b>2,390</b>	<b>2,555</b>	<b>2,633</b>

**Worldmark 2 and 3  
Aerocity District, DIAL, NCR**



Particulars	Unit	1-Apr-49	1-Apr-50	1-Apr-51	1-Apr-52	1-Apr-53	1-Apr-54	1-Apr-55	1-Apr-56	1-Apr-57	1-Apr-58	1-Apr-59	1-Apr-60	1-Apr-61	1-Apr-62	1-Apr-63	1-Apr-64	1-Apr-65	1-Apr-66
		31-Mar-50	31-Mar-51	31-Mar-52	31-Mar-53	31-Mar-54	31-Mar-55	31-Mar-56	31-Mar-57	31-Mar-58	31-Mar-59	31-Mar-60	31-Mar-61	31-Mar-62	31-Mar-63	31-Mar-64	31-Mar-65	31-Mar-66	2-May-66
<b>OPERATING INCOME</b>																			
Lease Rentals (Including Parking Income)	INR Million	3,388	3,557	3,689	3,830	4,109	4,229	4,480	4,746	4,914	5,152	5,409	5,610	5,822	6,249	6,430	6,813	7,218	658
O&M Income	INR Million	400	419	440	461	484	508	533	559	586	615	645	677	711	746	783	821	862	156
Other Income (Telecom)	INR Million	6	7	7	7	8	8	9	9	10	10	10	11	12	12	13	13	14	3
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>3,794</b>	<b>3,983</b>	<b>4,136</b>	<b>4,299</b>	<b>4,601</b>	<b>4,745</b>	<b>5,022</b>	<b>5,314</b>	<b>5,510</b>	<b>5,777</b>	<b>6,065</b>	<b>6,298</b>	<b>6,544</b>	<b>7,007</b>	<b>7,225</b>	<b>7,648</b>	<b>8,094</b>	<b>816</b>
<b>OPERATING COSTS</b>																			
Ground Rent/ Licence Fee	INR Million	(374)	(395)	(417)	(439)	(464)	(489)	(516)	(544)	(574)	(606)	(639)	(674)	(711)	(751)	(792)	(835)	(881)	(160)
Property Taxes	INR Million	(53)	(55)	(58)	(61)	(64)	(67)	(71)	(74)	(78)	(82)	(86)	(90)	(95)	(100)	(105)	(110)	(115)	(21)
O&M Expense	INR Million	(418)	(439)	(461)	(484)	(508)	(534)	(560)	(588)	(618)	(649)	(681)	(715)	(751)	(788)	(828)	(869)	(913)	(165)
Extra expense for Atelier	INR Million	(142)	(149)	(157)	(165)	(173)	(182)	(191)	(200)	(210)	(221)	(232)	(243)	(256)	(268)	(282)	(296)	(311)	(56)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(987)</b>	<b>(1,039)</b>	<b>(1,092)</b>	<b>(1,149)</b>	<b>(1,209)</b>	<b>(1,272)</b>	<b>(1,338)</b>	<b>(1,407)</b>	<b>(1,480)</b>	<b>(1,557)</b>	<b>(1,638)</b>	<b>(1,723)</b>	<b>(1,813)</b>	<b>(1,907)</b>	<b>(2,006)</b>	<b>(2,110)</b>	<b>(2,220)</b>	<b>(402)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,807</b>	<b>2,945</b>	<b>3,044</b>	<b>3,149</b>	<b>3,392</b>	<b>3,473</b>	<b>3,684</b>	<b>3,907</b>	<b>4,030</b>	<b>4,220</b>	<b>4,427</b>	<b>4,575</b>	<b>4,731</b>	<b>5,100</b>	<b>5,219</b>	<b>5,538</b>	<b>5,874</b>	<b>414</b>
Maintenance Capex	INR Million	(39)	(41)	(43)	(45)	(47)	(49)	(52)	(55)	(57)	(60)	(63)	(66)	(70)	(73)	(77)	(81)	(85)	(15)
Brokerage Expenses	INR Million	(32)	(50)	(42)	(91)	(39)	(46)	(41)	(12)	(15)	(50)	(78)	(65)	(141)	(60)	(71)	(63)	(19)	-
Total construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>2,736</b>	<b>2,854</b>	<b>2,959</b>	<b>3,014</b>	<b>3,307</b>	<b>3,378</b>	<b>3,591</b>	<b>3,840</b>	<b>3,957</b>	<b>4,109</b>	<b>4,286</b>	<b>4,444</b>	<b>4,521</b>	<b>4,967</b>	<b>5,071</b>	<b>5,394</b>	<b>5,771</b>	<b>399</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.



**Completed Buildings: Worldmark Tower 3**

Particulars	Unit	01-Apr-24	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28	01-Apr-29	01-Apr-30	01-Apr-31	01-Apr-32	01-Apr-33	01-Apr-34
		31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals( including parking)	INR Million	775	1,064	1,191	1,244	1,300	1,375	1,420	1,465	1,521	1,563	1,641
O&M Income	INR Million	117	126	131	136	141	148	153	161	182	194	203
Other Income	INR Million	1	1	1	2	2	2	2	2	2	2	2
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>894</b>	<b>1,191</b>	<b>1,324</b>	<b>1,382</b>	<b>1,443</b>	<b>1,525</b>	<b>1,575</b>	<b>1,628</b>	<b>1,704</b>	<b>1,759</b>	<b>1,846</b>
<b><u>OPERATING COSTS</u></b>												
CAM Costs For Vacant Areas	INR Million	(11)	(0)	-	-	-	-	-	-	-	-	-
Ground Rent/ Licence Fee	INR Million	(92)	(97)	(102)	(108)	(114)	(120)	(127)	(134)	(141)	(149)	(157)
Property Taxes	INR Million	(14)	(14)	(15)	(16)	(17)	(18)	(18)	(19)	(20)	(21)	(22)
O&M Expense	INR Million	(95)	(121)	(129)	(135)	(142)	(149)	(156)	(164)	(172)	(181)	(190)
Additional Expense for Atelier	INR Million	(5)	(50)	(55)	(57)	(60)	(63)	(67)	(70)	(73)	(77)	(81)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(217)</b>	<b>(283)</b>	<b>(301)</b>	<b>(317)</b>	<b>(333)</b>	<b>(350)</b>	<b>(368)</b>	<b>(387)</b>	<b>(407)</b>	<b>(428)</b>	<b>(450)</b>
<b>Net operating income</b>	<b>INR Million</b>	<b>677</b>	<b>908</b>	<b>1,023</b>	<b>1,065</b>	<b>1,110</b>	<b>1,175</b>	<b>1,207</b>	<b>1,241</b>	<b>1,297</b>	<b>1,331</b>	<b>1,396</b>
Maintenance Capex	INR Million	(11)	(11)	(12)	(13)	(13)	(14)	(15)	(15)	(16)	(17)	(18)
Brokerage Expenses	INR Million	(39)	(39)	(21)	-	(3)	-	(3)	(17)	(19)	(31)	(39)
Construction costs	INR Million	(459)	(5)	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>168</b>	<b>853</b>	<b>990</b>	<b>1,053</b>	<b>1,094</b>	<b>1,161</b>	<b>1,189</b>	<b>1,209</b>	<b>1,262</b>	<b>1,282</b>	<b>1,339</b>



Particulars	Unit	01-Apr-35	01-Apr-36	01-Apr-37	01-Apr-38	01-Apr-39	01-Apr-40	01-Apr-41	01-Apr-42	01-Apr-43	01-Apr-44	01-Apr-45	01-Apr-46	01-Apr-47	01-Apr-48
		31-Mar-36	31-Mar-37	31-Mar-38	31-Mar-39	31-Mar-40	31-Mar-41	31-Mar-42	31-Mar-43	31-Mar-44	31-Mar-45	31-Mar-46	31-Mar-47	31-Mar-48	31-Mar-49
<b>OPERATING INCOME</b>															
Lease Rentals( including parking)	INR Million	1,712	1,822	1,912	2,004	2,090	2,177	2,277	2,396	2,498	2,602	2,771	2,908	3,048	3,178
O&M Income	INR Million	213	223	233	245	256	269	281	295	309	324	340	356	374	392
Other Income	INR Million	2	2	2	3	3	3	3	3	3	3	4	4	4	4
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,927</b>	<b>2,047</b>	<b>2,148</b>	<b>2,251</b>	<b>2,349</b>	<b>2,448</b>	<b>2,561</b>	<b>2,694</b>	<b>2,811</b>	<b>2,930</b>	<b>3,114</b>	<b>3,268</b>	<b>3,425</b>	<b>3,574</b>
<b>OPERATING COSTS</b>															
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ground Rent/ Licence Fee	INR Million	(166)	(175)	(185)	(195)	(206)	(217)	(229)	(241)	(255)	(269)	(283)	(299)	(316)	(333)
Property Taxes	INR Million	(24)	(25)	(26)	(27)	(29)	(30)	(32)	(33)	(35)	(36)	(38)	(40)	(42)	(44)
O&M Expense	INR Million	(199)	(209)	(220)	(231)	(242)	(254)	(267)	(281)	(295)	(309)	(325)	(341)	(358)	(376)
Additional Expense for Atelier	INR Million	(85)	(89)	(94)	(98)	(103)	(108)	(114)	(119)	(125)	(132)	(138)	(145)	(153)	(160)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(474)</b>	<b>(498)</b>	<b>(524)</b>	<b>(551)</b>	<b>(580)</b>	<b>(610)</b>	<b>(641)</b>	<b>(675)</b>	<b>(710)</b>	<b>(746)</b>	<b>(785)</b>	<b>(826)</b>	<b>(868)</b>	<b>(913)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,453</b>	<b>1,549</b>	<b>1,624</b>	<b>1,700</b>	<b>1,769</b>	<b>1,838</b>	<b>1,920</b>	<b>2,019</b>	<b>2,101</b>	<b>2,184</b>	<b>2,329</b>	<b>2,443</b>	<b>2,557</b>	<b>2,660</b>
Maintenance Capex	INR Million	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(28)	(29)	(30)	(32)	(34)	(35)
Brokerage Expenses	INR Million	(47)	-	(5)	-	(5)	(26)	(30)	(49)	(61)	(73)	-	(8)	-	(8)
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,387</b>	<b>1,529</b>	<b>1,599</b>	<b>1,678</b>	<b>1,741</b>	<b>1,788</b>	<b>1,865</b>	<b>1,944</b>	<b>2,013</b>	<b>2,082</b>	<b>2,299</b>	<b>2,403</b>	<b>2,523</b>	<b>2,617</b>

**Worldmark 2 and 3  
Aerocity District, DIAL, NCR**

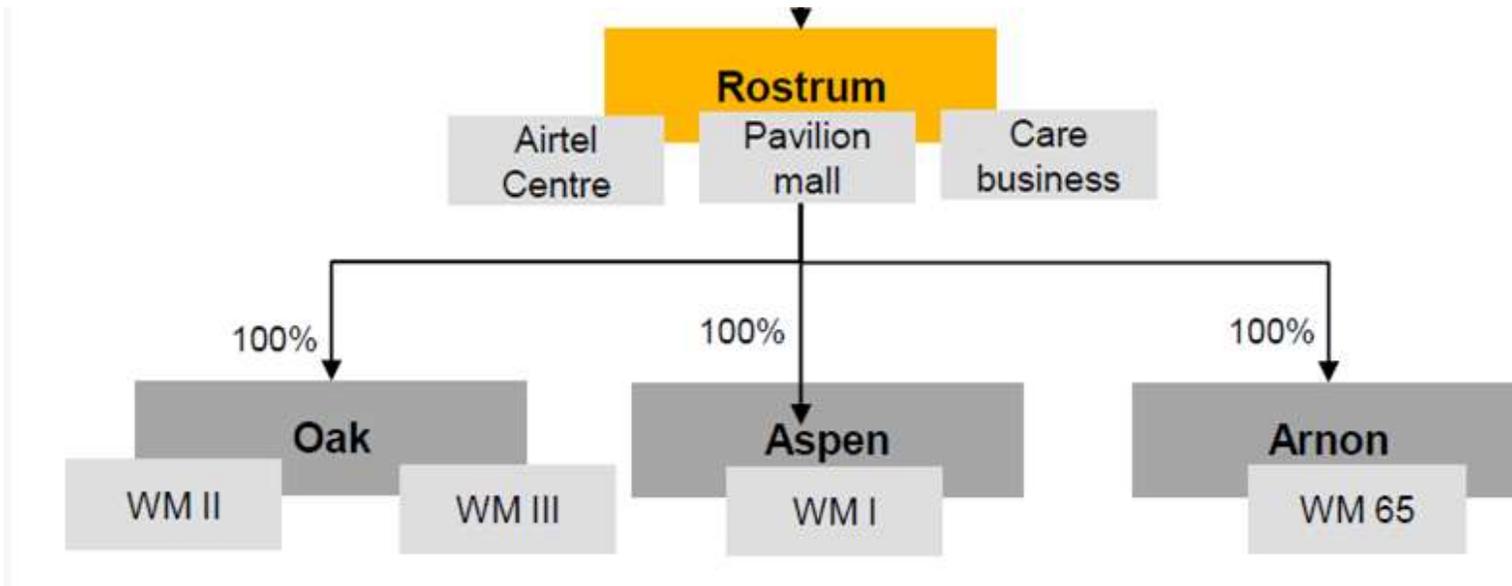


Particulars	Unit	01-Apr-49	01-Apr-50	01-Apr-51	01-Apr-52	01-Apr-53	01-Apr-54	01-Apr-55	01-Apr-56	01-Apr-57	01-Apr-58	01-Apr-59	01-Apr-60	01-Apr-61	01-Apr-62	01-Apr-63	01-Apr-64	01-Apr-65	01-Apr-66
		31-Mar-50	31-Mar-51	31-Mar-52	31-Mar-53	31-Mar-54	31-Mar-55	31-Mar-56	31-Mar-57	31-Mar-58	31-Mar-59	31-Mar-60	31-Mar-61	31-Mar-62	31-Mar-63	31-Mar-64	31-Mar-65	31-Mar-66	02-May-66
<b>OPERATING INCOME</b>																			
Lease Rentals( including parking)	INR Million	3,310	3,462	3,657	3,808	3,956	4,214	4,423	4,635	4,833	5,032	5,263	5,567	5,794	6,015	6,409	6,727	7,050	645
O&M Income	INR Million	411	431	452	474	497	521	547	574	602	632	663	695	729	765	803	843	884	232
Other Income	INR Million	4	5	5	5	5	6	6	6	6	7	7	8	8	8	9	9	10	2
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>3,725</b>	<b>3,897</b>	<b>4,114</b>	<b>4,287</b>	<b>4,459</b>	<b>4,741</b>	<b>4,976</b>	<b>5,215</b>	<b>5,441</b>	<b>5,671</b>	<b>5,933</b>	<b>6,270</b>	<b>6,532</b>	<b>6,788</b>	<b>7,220</b>	<b>7,579</b>	<b>7,944</b>	<b>879</b>
<b>OPERATING COSTS</b>																			
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ground Rent/ Licence Fee	INR Million	(351)	(370)	(391)	(412)	(435)	(459)	(484)	(511)	(539)	(569)	(600)	(633)	(668)	(704)	(743)	(784)	(827)	(150)
Property Taxes	INR Million	(47)	(49)	(51)	(54)	(57)	(59)	(62)	(66)	(69)	(72)	(76)	(80)	(84)	(88)	(92)	(97)	(102)	(18)
O&M Expense	INR Million	(395)	(415)	(435)	(457)	(480)	(504)	(529)	(556)	(583)	(612)	(643)	(675)	(709)	(744)	(782)	(821)	(862)	(156)
Additional Expense for Atelier	INR Million	(168)	(177)	(185)	(195)	(204)	(215)	(225)	(237)	(248)	(261)	(274)	(288)	(302)	(317)	(333)	(350)	(367)	(64)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(961)</b>	<b>(1,010)</b>	<b>(1,063)</b>	<b>(1,118)</b>	<b>(1,176)</b>	<b>(1,237)</b>	<b>(1,301)</b>	<b>(1,369)</b>	<b>(1,440)</b>	<b>(1,514)</b>	<b>(1,593)</b>	<b>(1,675)</b>	<b>(1,762)</b>	<b>(1,854)</b>	<b>(1,950)</b>	<b>(2,051)</b>	<b>(2,158)</b>	<b>(388)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,764</b>	<b>2,887</b>	<b>3,051</b>	<b>3,169</b>	<b>3,283</b>	<b>3,504</b>	<b>3,675</b>	<b>3,847</b>	<b>4,002</b>	<b>4,156</b>	<b>4,340</b>	<b>4,594</b>	<b>4,769</b>	<b>4,935</b>	<b>5,270</b>	<b>5,527</b>	<b>5,786</b>	<b>490</b>
Maintenance Capex	INR Million	(37)	(39)	(41)	(43)	(45)	(47)	(50)	(52)	(55)	(57)	(60)	(63)	(67)	(70)	(73)	(77)	(81)	(15)
Brokerage Expenses	INR Million	(41)	(46)	(75)	(94)	(113)	-	(12)	-	(13)	(63)	(72)	(117)	(146)	(175)	-	(18)	-	-
Construction costs	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>2,686</b>	<b>2,801</b>	<b>2,935</b>	<b>3,032</b>	<b>3,125</b>	<b>3,457</b>	<b>3,613</b>	<b>3,795</b>	<b>3,934</b>	<b>4,036</b>	<b>4,208</b>	<b>4,414</b>	<b>4,557</b>	<b>4,690</b>	<b>5,197</b>	<b>5,432</b>	<b>5,705</b>	<b>476</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.



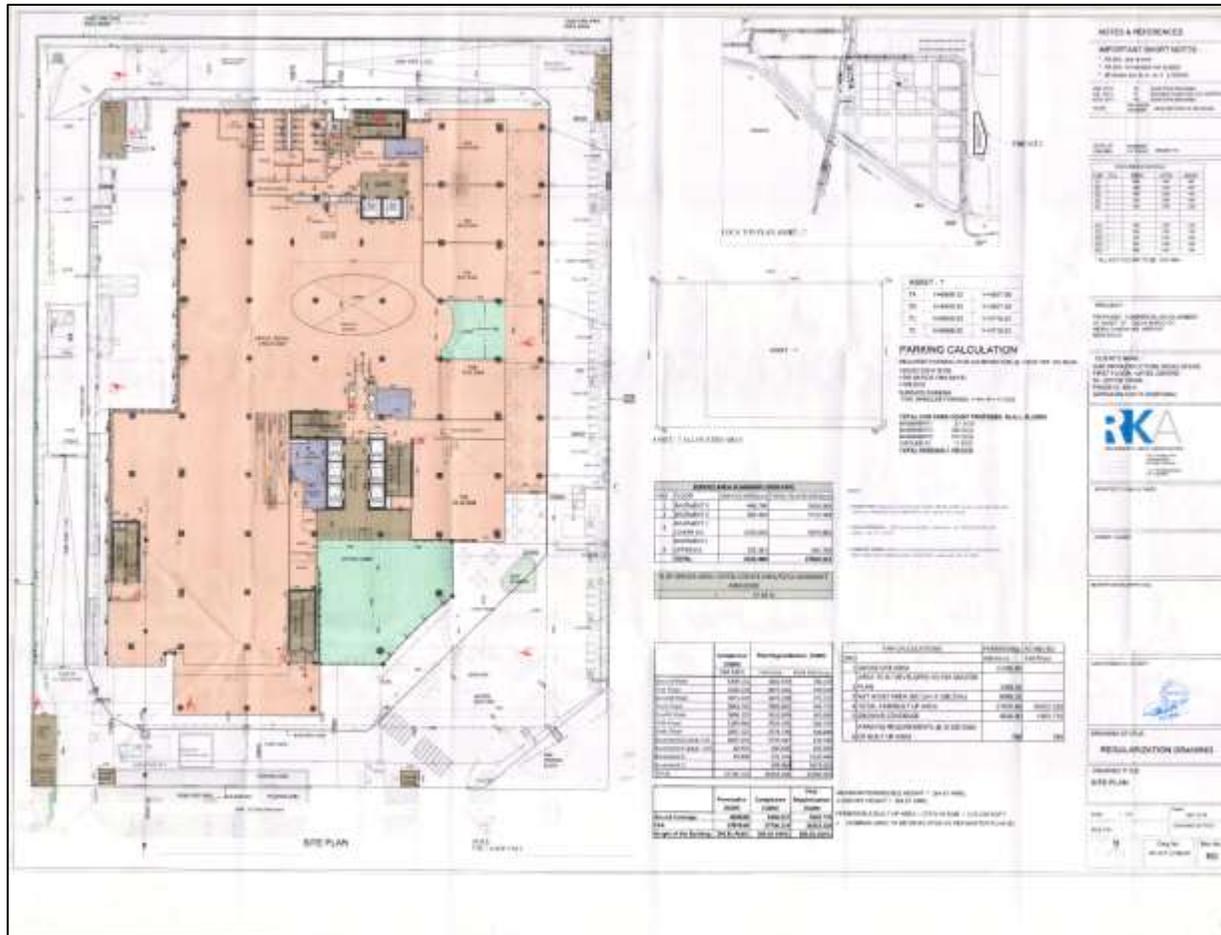
Annexure 2: Ownership Structure





**Annexure 3: Site Layout**

**Worldmark 2**



Source: As provided by Client



**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**

<i>Building</i>	<i>No/Name</i>	<i>Worldmark 2</i>	<i>Worldmark 3</i>
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
Warmshell/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

## **Bharti Airtel Centre, Sector – 18, Gurugram, NCR**

Date of Valuation: 31<sup>st</sup> March 2024

Date of Report: **10<sup>th</sup> May, 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" or "REIT") and / or its associates and its unitholders for the proposed acquisition. 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 Brookfield India REIT may share the report with its appointed advisors for any statutory or reporting requirements or include it in stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document/any publicity material / research reports / presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the property by Brookfield India REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 09<sup>th</sup> April 2024 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 09<sup>th</sup> April 2024. 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>	31 <sup>st</sup> March 2024
<b>Site Visit Date:</b>	22 <sup>nd</sup> April 2024
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.
<b>Valuation Purpose:</b>	Disclosure of valuation of asset to be formed as a 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>
<b>Description:</b>	<p>The Subject Property admeasure 6,92,586 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>
	 <p>View of the Subject Property</p>  <p>View of the Subject Property</p>  <p>View of the Subject Property</p>  <p>View of Access Road</p>



	<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 Completed Leasable Area: 692,586 sq. ft.</p>	

Source: Architect's Certificate (Dated: 8th May, 2024), \*Rent Roll as of 31<sup>st</sup> March 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 31st March 2024, is as follows:

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 <sup>st</sup> March 2024	INR 12,275 Million	Indian Rupees Twelve Billion and Two Hundred and Seventy - 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**

**Subject Property: Bharti Airtel Centre, Sector - 18, Gurugram, NCR**

**Report Date: 10<sup>th</sup> May 2024**

**Valuation Date: 31<sup>st</sup> March 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 as the “Valuer”), in order to undertake the valuation of office property located in Gurugram (hereinafter referred to as “Subject Property” and/or “Bharti Airtel Centre”) for the proposed acquisition 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 16 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**

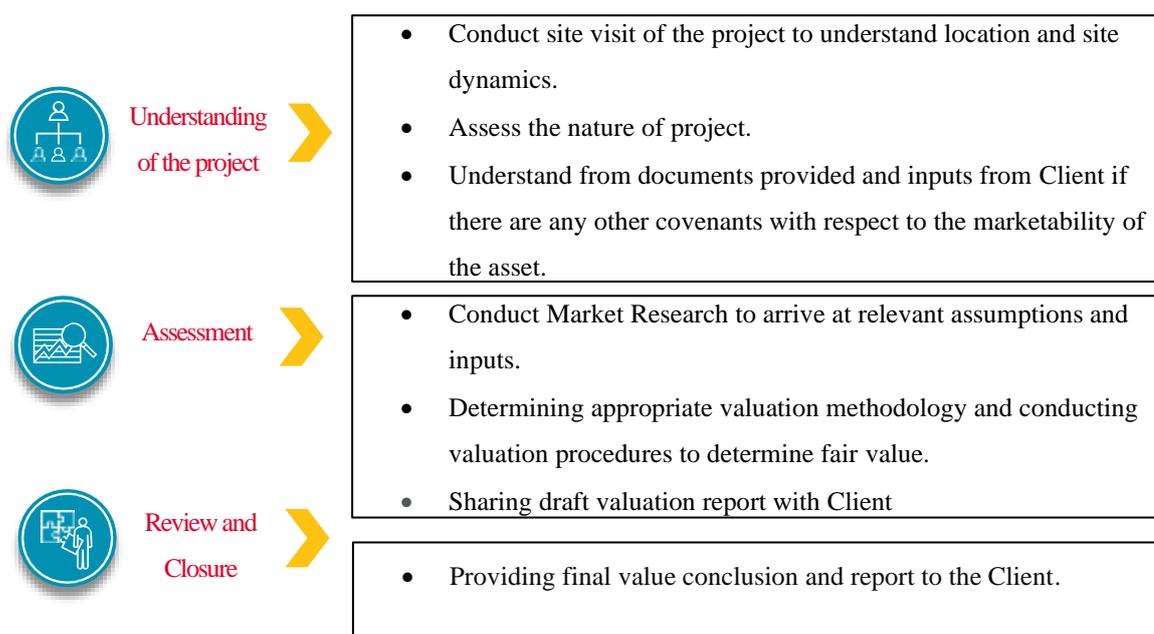
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations issued by the Securities and Exchange Board of India ("SEBI") or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to the Acquisition, including any preliminary or final international offering documents for distribution to investors outside India, and any publicity material, research reports, presentations or press releases, in connection with the Acquisition (collectively, the "Documents").

## 5 Basis of Valuation

It is understood that the valuation is required by the Client of the Subject Property which is proposed to be acquired (“Proposed Acquisition”) by Brookfield India REIT, in accordance with 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 and for accounting purposes. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, 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 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, proposed to be 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 proposed to be 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 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 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.



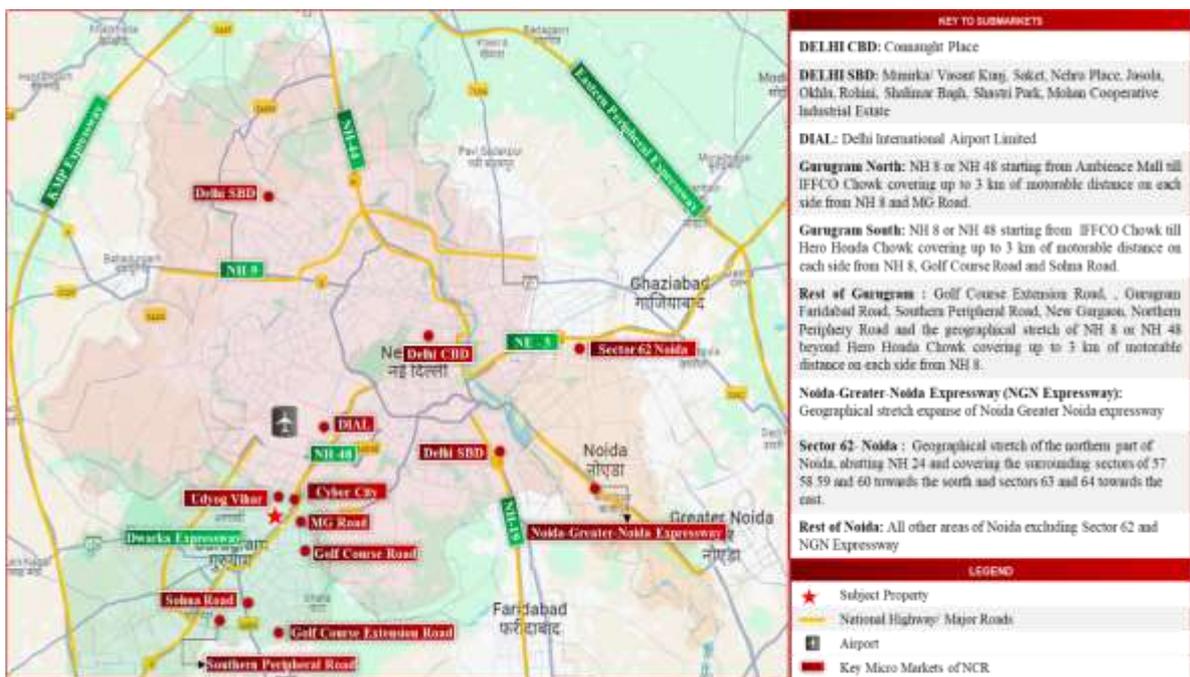
## **B National Capital Region Overview**

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 & 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 Q1 CY 2024 (msf)</b>	92.37	3.45	1.52	64.12	23.29	29.37
<b>Current Occupied Stock till Q1 CY 2024 (msf)</b>	72.01	2.65	1.35	50.23	17.77	27.15
<b>Current Vacancy Q1 CY 2024 (%)</b>	22.0%	23.2%	10.9%	21.7%	23.7%	7.6%
<b>Avg. Annual Absorption – CY 2015 – Q1 CY 2024 (msf)</b>	3.54	0.16	0.13	2.30	0.96	0.81
<b>Future Supply Q2 CY 2024 E – CY 2026 E (msf)</b>	15.88	-	3.45	8.32	4.11	3.60
<b>Market Rent – Q1 CY 2024 (INR psf / month)</b>	89	146	229	95	54	115
<b>CAGR for Market Rent (CY 2015 – Q1 CY 2024)</b>	2.0%	1.1%	4.4%	2.1%	3.7%	3.7%

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 (Q1 CY 2024)</b>	Approximately 64.12 msf
<b>Current Occupied Stock (Q1 CY 2024)</b>	Approximately 50.23 msf
<b>Current Vacancy (Q1 CY 2024)</b>	Approximately 21.7%
<b>Avg. Annual Net Absorption (CY 2015 – Q1 CY 2024)</b>	Approximately 2.30 msf
<b>Future Supply (Q2 CY 2024 E – CY 2026 E)</b>	Q2 CY 2024E to Q4 CY2024E: Approximately 1.83 msf CY 2025E: Approximately 3.75 msf CY 2026E: Approximately 2.74 msf

Source: Cushman and Wakefield Research

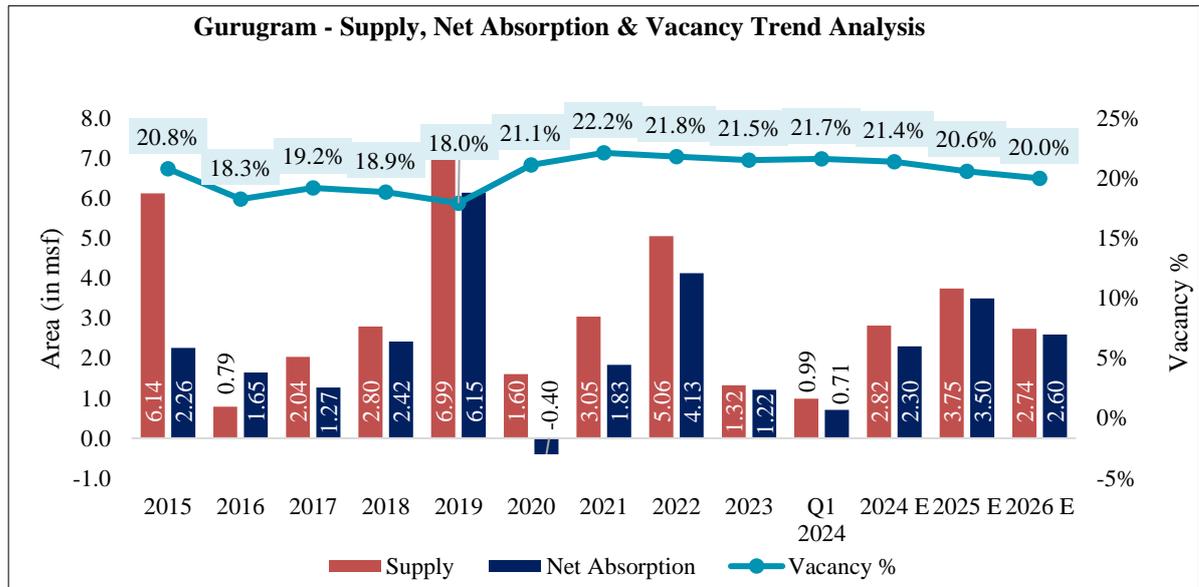
Notes:

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 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:**

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 Q1 CY 2024 is 0.99 msf with vacancy of 22% as compared to 0.05 msf and 22% 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 15% as compared to the strata developments as 33%. 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 Q1 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%.



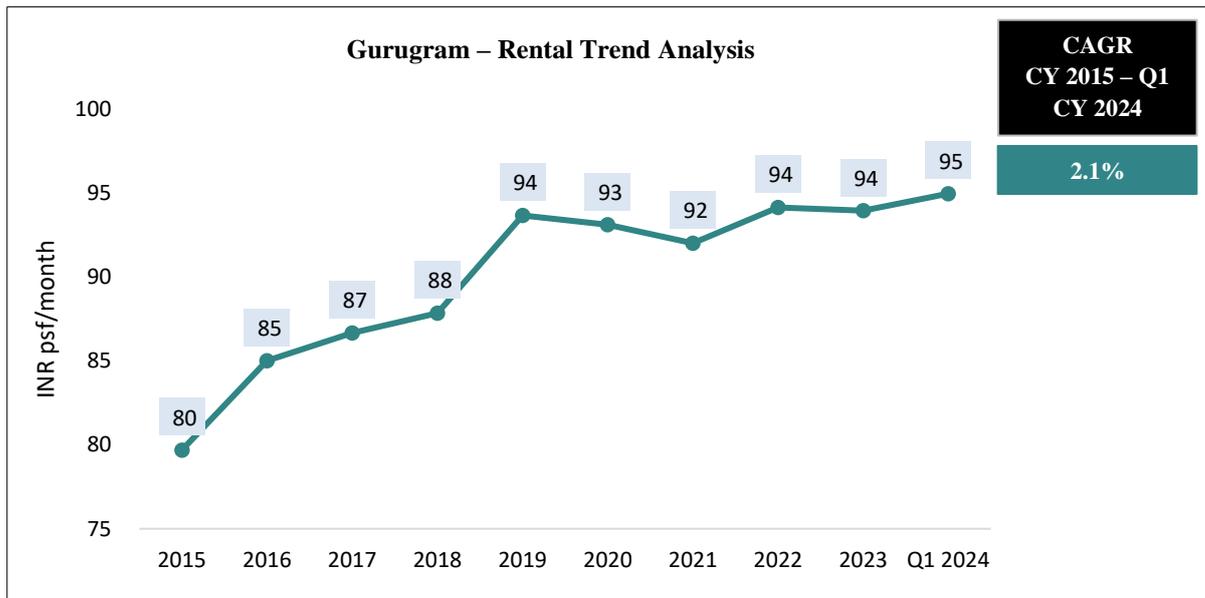
Further, DLF Downtown which was completed in CY 2022 was more than 90% pre-committed prior to its completion and is currently fully occupied.

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 8.32 msf scheduled for completion between Q2 CY 2024E – CY 2026E.



## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:



Source: Cushman and Wakefield Research

Notes:

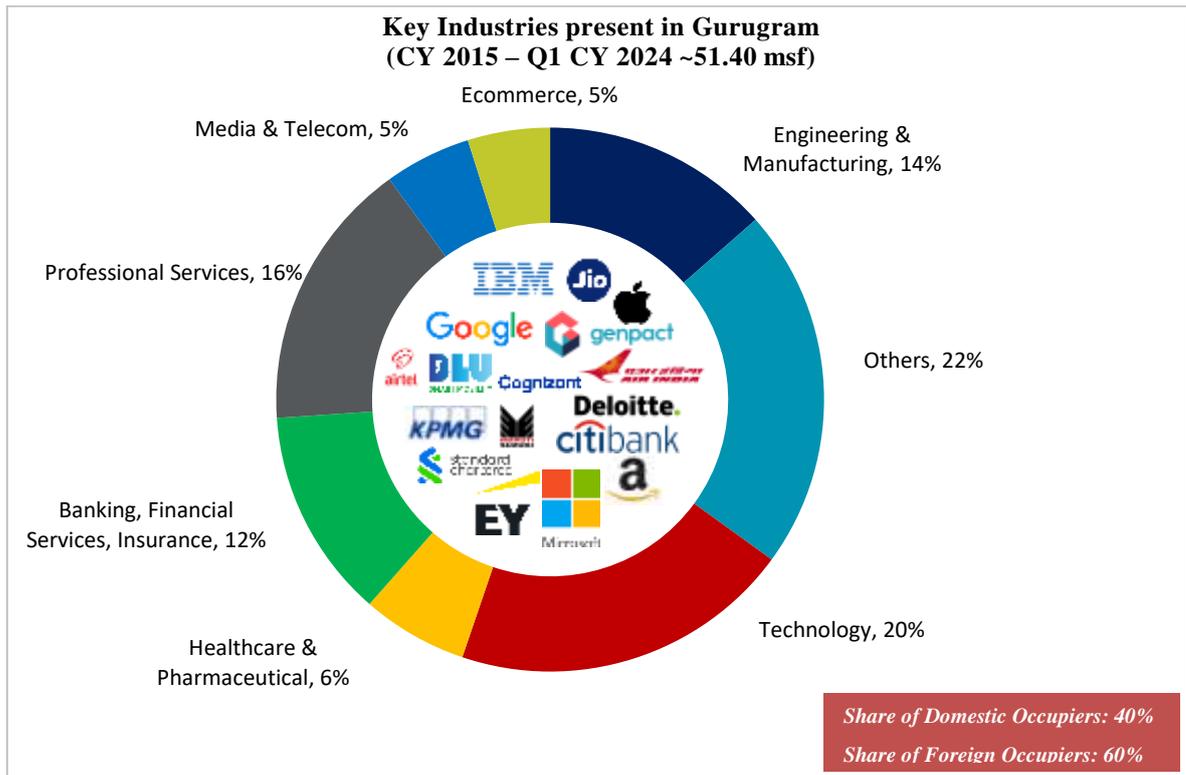
1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area across Gurugram.
2. The quoted rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring 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 – Q1 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 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 20% to the overall demand. The other prominent industries contributing 42% to the demand are Professional Services (16%), BFSI (12%) and Engineering & Manufacturing (14%). 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**

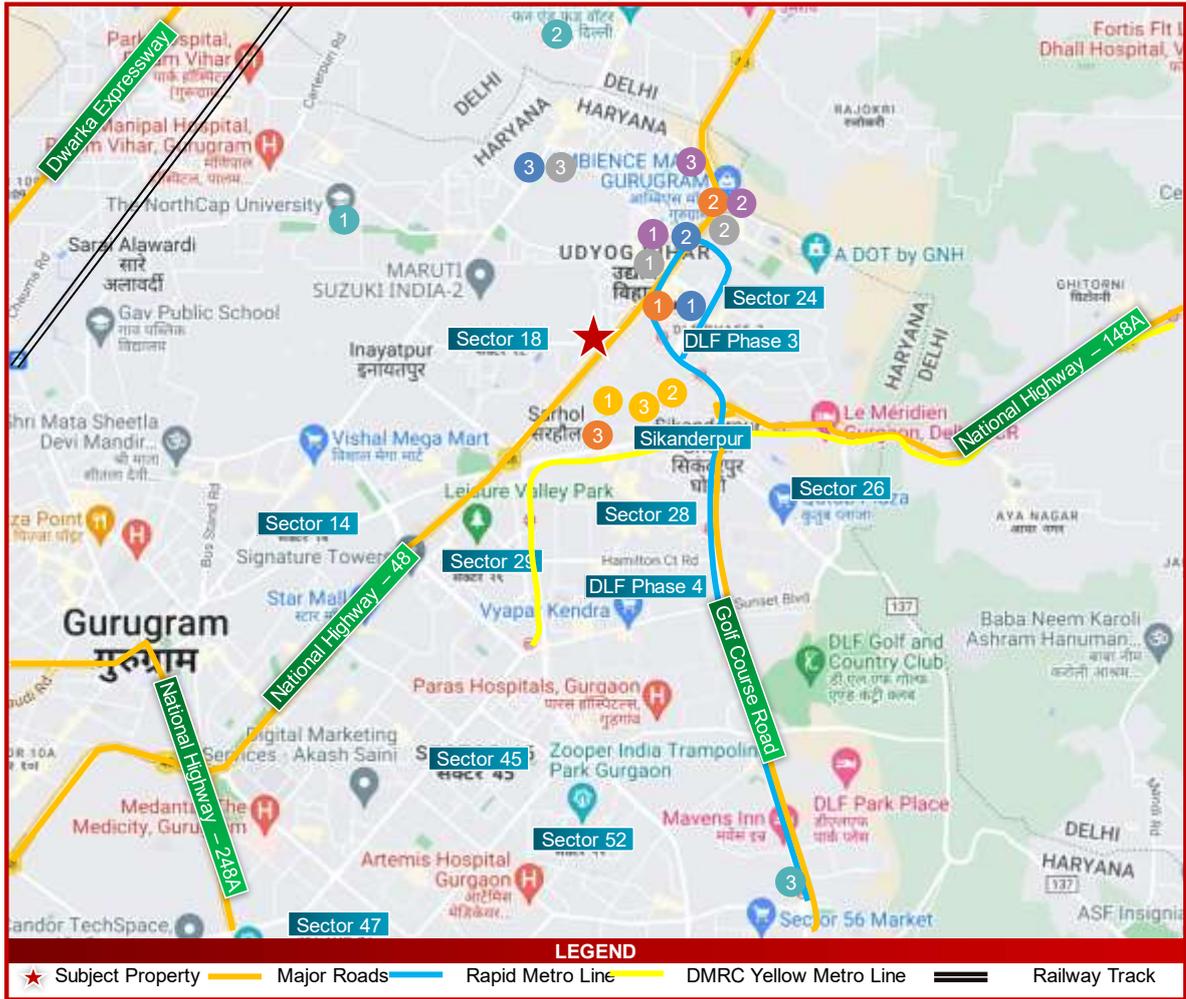
Gurugram North is the largest and prime business district of Gurugram. It is an established office, residential and retail destination of Gurugram. The office supply in the Subject Micro Market is interspersed between investment grade and sub-investment grade developments. The office supply constitutes 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)

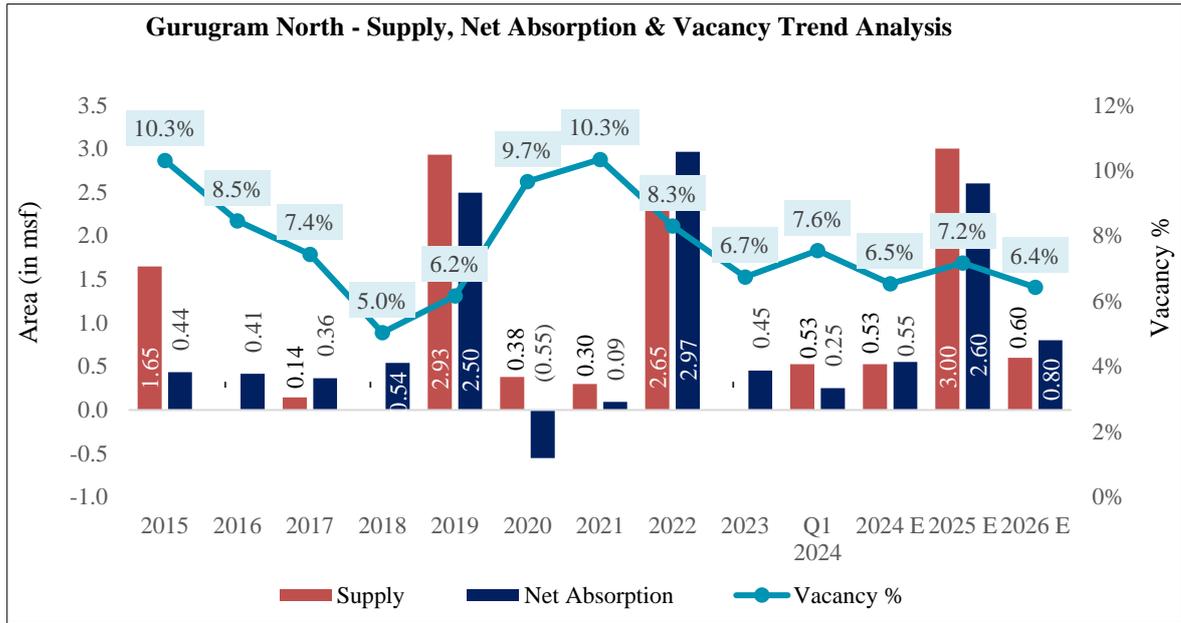


The Subject Property is located in Sector 18 of Gurugram and is accessible via NH 48 which is the main road, connecting Gurugram to other cities of NCR.

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

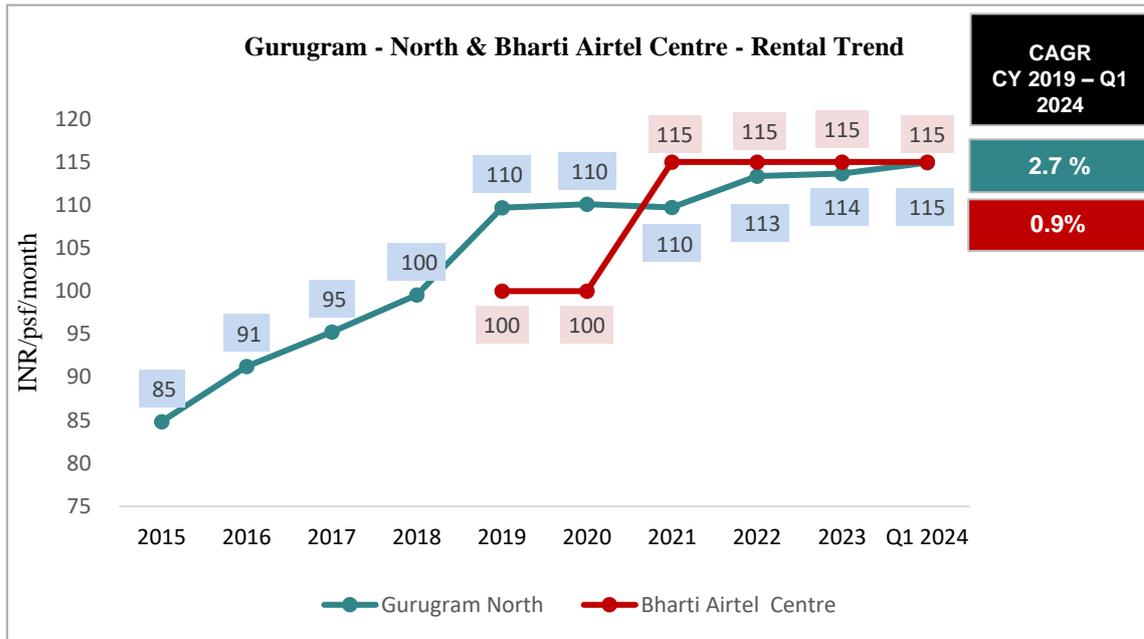
Notes:

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 Q1 2024 for the Subject Micro Market is 0.25 msf with vacancy at 7.6%.



### 3.4 Rental Trend Analysis



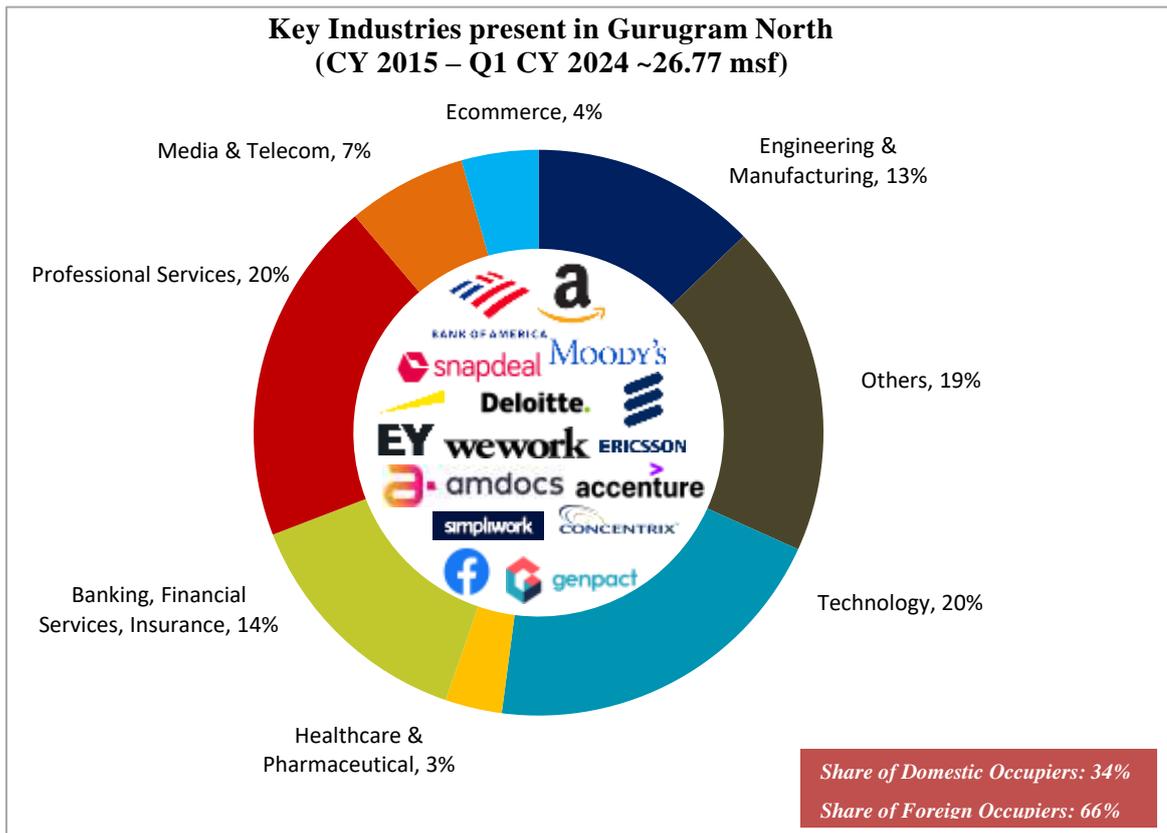
Source: Cushman and Wakefield Research

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 March. 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.

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 – Q1 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. 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 40% of the leasing activity in the period CY 2015 – Q1 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 27%. The mix of foreign and domestic occupants in Gurugram North is 66:34.



#### **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 Q1 CY 2024 for the Subject Micro Market is 0.25 msf with vacancy at 7.6%. Further, with limited supply addition and continuous traction from occupiers, the vacancy expected to be rangebound between 6% and 8%.

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% to 6% 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.**

<b>Particulars</b>	<b>Leasable Area (sq. ft.)</b>	<b>Floor (#)</b>	<b>Status</b>	<b>Completion Date</b>
Tower 1 (Wings A and B)	692,586	8 (including LGF and UGF)	Completed	N. A
<b>Total</b>	<b>692,586</b>			

*Source: Architect's Certificate (Dated: 8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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>Age of building based on the date of Occupancy Certificate:</b>	Tower 1 – 14 years 4 months
<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>	6,92,586 sq. ft.
<b>Occupied Area:</b>	6,92,586 sq. ft.
<b>Committed Occupancy (%) *:</b>	100%
<b>Current Effective Rent (excluding parking):</b>	INR 114.61 per sq. ft. per month (office Tenants only)
<b>Number of Tenants:</b>	4 (office) Bharti Group**

*Source: Architect's Certificate (Dated: 8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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 Bharti Airtel Limited, Brightstar Telecommunication India Limited, Bharti Foundation, Bharti Airtel Limited 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.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational building</li> <li>b. 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 692,586 sq. ft. of leasable area. The operational building comprises.             <ol style="list-style-type: none"> <li>a. Office: 1 office tower having leasable area of 692,586 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: 8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 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 proposed to be 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: 8th May 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 31<sup>st</sup> March 2024, the Subject Property is entirely occupied by Bharti Group which account for ~100% of leased area and ~100% of the gross rental income.

<b>Rank</b>	<b>Top 10 Tenants according to Leased Area</b>	<b>Leased Area (sq. ft.)</b>
<b>1</b>	<b>Bharti Group*</b>	<b>692,586</b>
	<b>Total</b>	<b>692,586</b>

*Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information*

<b>Rank</b>	<b>Top 10 Tenants according to Gross Rentals</b>	<b>Share of Gross Rentals</b>
<b>1</b>	<b>Bharti Group*</b>	<b>100%</b>
	<b>Total</b>	<b>100%</b>

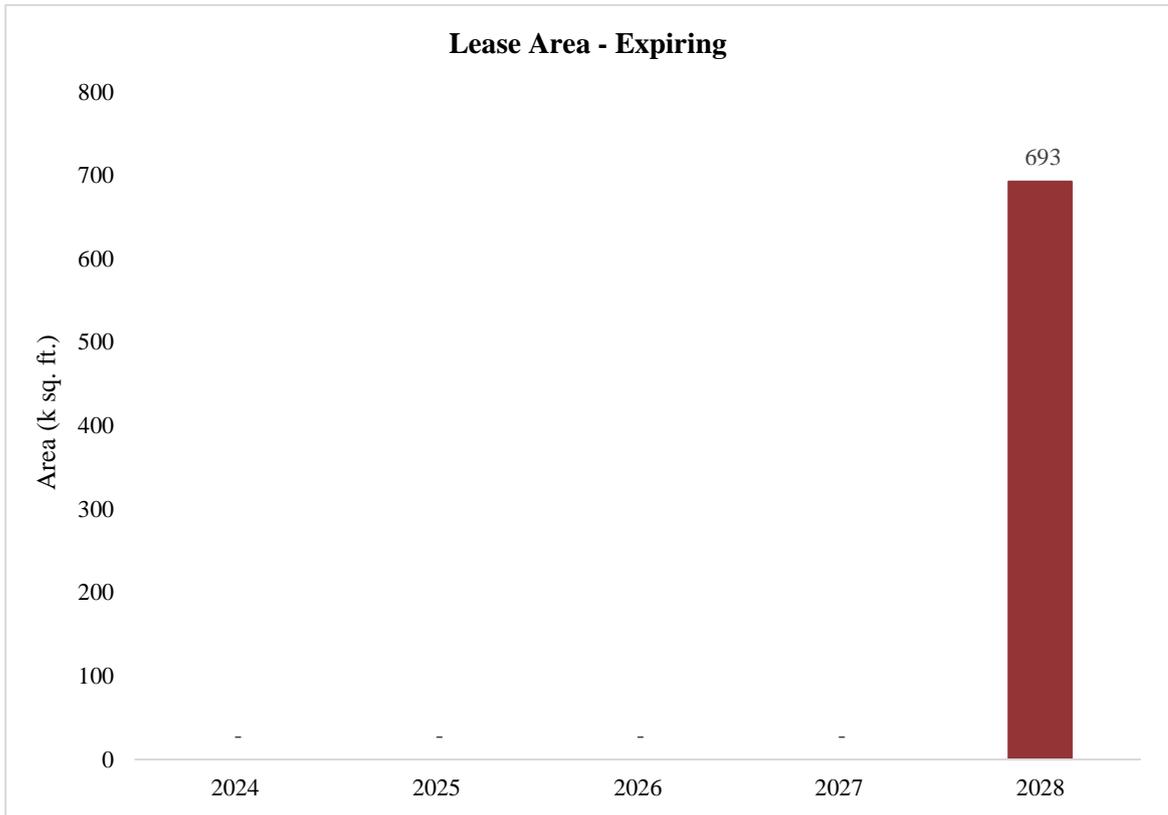
*Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information*

*\* Bharti Group Includes Bharti Airtel Limited, Brightstar Telecommunication India Limited, Bharti Foundation, Bharti Airtel Limited.*



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 4.0 years, with ~100% of occupied area expiring between 2023 and 2028 as shown in the chart below.



Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents April 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 31<sup>st</sup> March 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-34

### Subject Property Details:

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	692,586
Area Leased	Sq. ft.	692,586
Committed Occupancy*	%	100.0%
Stabilized Vacancy	%	2.5%
Further leasing	Sq. ft.	-
Existing Lease Rollovers	%	97%
Rent Free Period – Existing Leases	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	1,028
Estimated Leasing Period	# of quarters	-

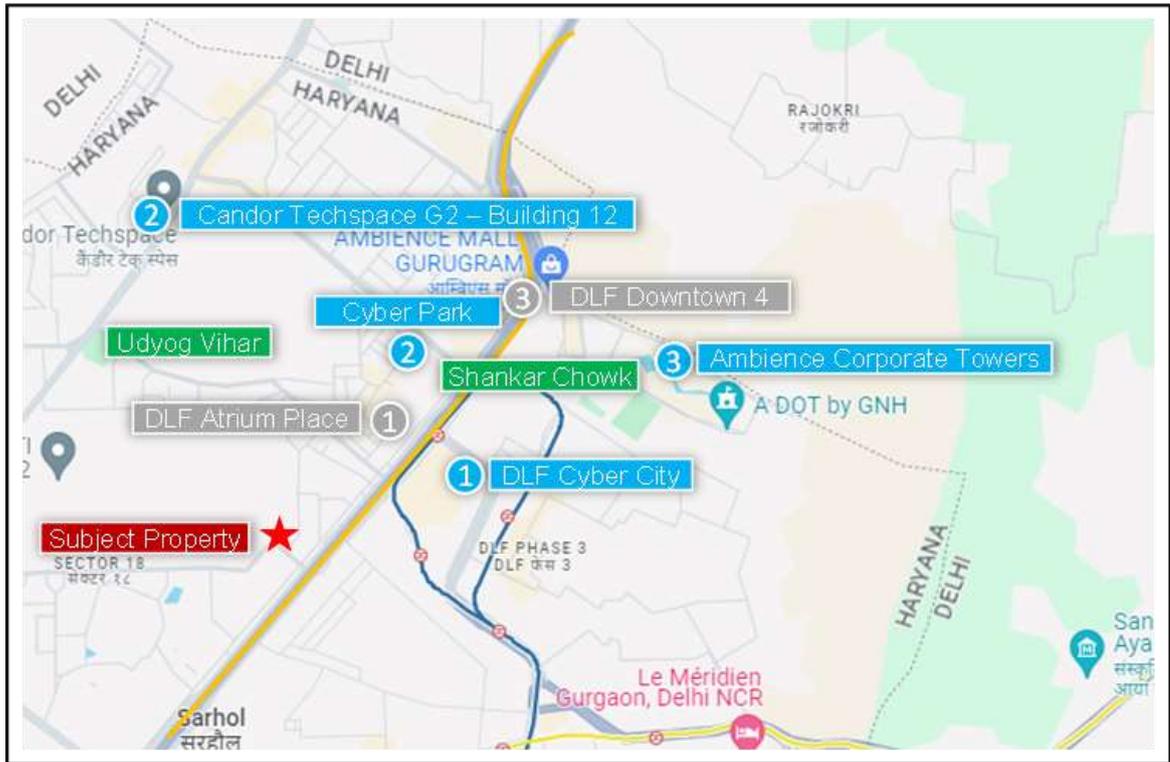
Source: Architect's Certificate (Dated: 8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 2024

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 2015 – Q1 2024, the Gurugram North micro market has witnessed an average annual net absorption of approximately 0.81 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 1.34 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 0.08
Rental Growth Rate (for FY'25 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 21.50

- **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 in the range of 5 to 6% 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.
- **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'24 and the same has been projected to increase at 5% per annum from FY'25 onwards excluding sinking fund.



**Operating Cost Assumptions**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
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 7.66
Current O&M Expense	Per sq. ft. per month	INR 15.31
Property Tax	Per sq. ft./month	INR 0.88
Cost Escalation	% p.a.	5.0%
Maintenance Capex	Per sq. ft. per month	INR 2.1

- **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'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.
- **O&M Expense:** O&M Cost has been provided by the Client for FY'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.



**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 31<sup>st</sup> March 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	31 <sup>st</sup> March 2024	INR 12,275 Million	Indian Rupees Twelve Billion Two Hundred and Seventy - Five 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**



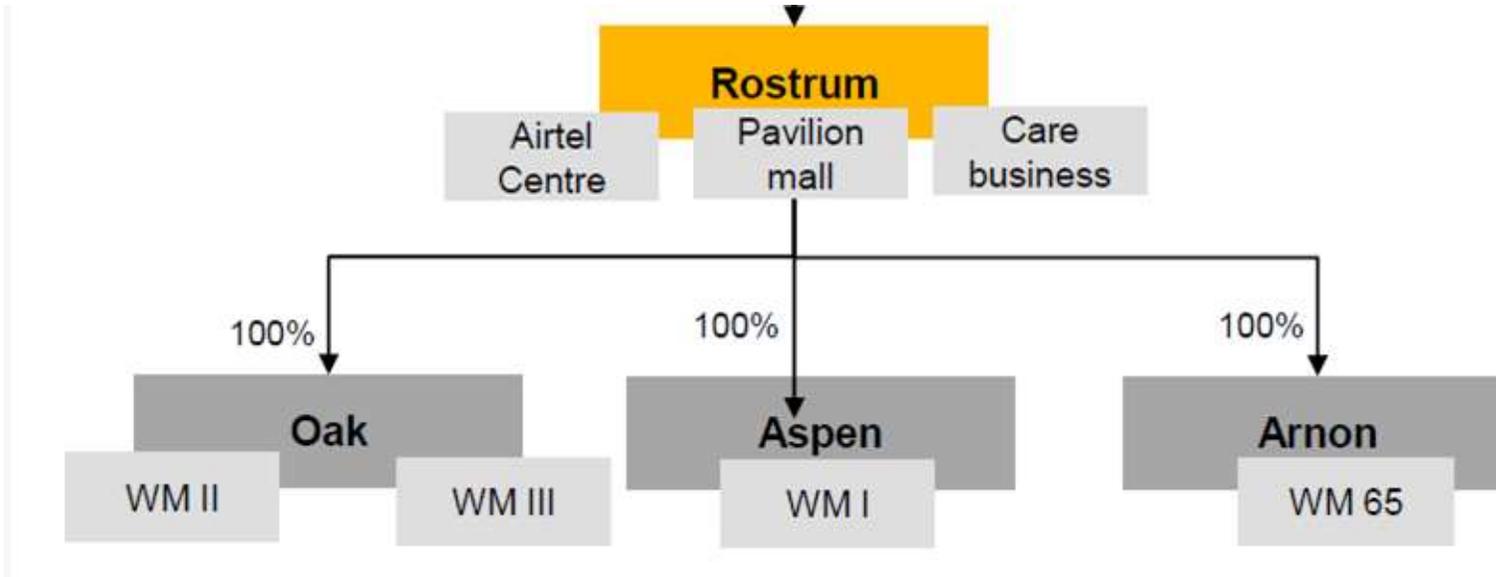
**Annexure 1: Cash Flows**

Particulars	Unit	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33	1-Apr-34
		31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals	INR Million	1,091	1,106	1,107	1,107	167	1,123	1,162	1,239	1,337	1,337	1,425
O&M Income	INR Million	203	206	206	206	95	225	235	245	256	268	280
Other Income (Telecom)	INR Million	1	1	1	1	1	1	1	1	1	1	1
<b>Total Income</b>	<b>INR Million</b>	<b>1,295</b>	<b>1,313</b>	<b>1,313</b>	<b>1,314</b>	<b>263</b>	<b>1,348</b>	<b>1,398</b>	<b>1,486</b>	<b>1,594</b>	<b>1,606</b>	<b>1,707</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,295</b>	<b>1,313</b>	<b>1,313</b>	<b>1,314</b>	<b>263</b>	<b>1,348</b>	<b>1,398</b>	<b>1,486</b>	<b>1,594</b>	<b>1,606</b>	<b>1,707</b>
<b><u>OPERATING COSTS</u></b>												
Property Taxes	INR Million	(8)	(8)	(8)	(9)	(9)	(10)	(10)	(11)	(11)	(12)	(12)
O&M Expense	INR Million	(134)	(140)	(147)	(155)	(158)	(166)	(175)	(183)	(192)	(202)	(212)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(141)</b>	<b>(148)</b>	<b>(156)</b>	<b>(164)</b>	<b>(168)</b>	<b>(176)</b>	<b>(185)</b>	<b>(194)</b>	<b>(204)</b>	<b>(214)</b>	<b>(225)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,154</b>	<b>1,164</b>	<b>1,157</b>	<b>1,150</b>	<b>96</b>	<b>1,172</b>	<b>1,213</b>	<b>1,292</b>	<b>1,390</b>	<b>1,392</b>	<b>1,482</b>
<b>Terminal Value</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	18,523	
<b>Transaction Cost</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	(185)	
<b>Fit Out Income</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>INR Million</b>	<b>1,154</b>	<b>1,164</b>	<b>1,157</b>	<b>1,150</b>	<b>96</b>	<b>1,172</b>	<b>1,213</b>	<b>1,292</b>	<b>1,390</b>	<b>19,729</b>	
Maintenance Capex	INR Million	(18)	(19)	(20)	(21)	(22)	(23)	(25)	(26)	(27)	(28)	
Brokerage Expenses	INR Million	-	-	-	-	(194)	-	-	-	-	-	
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(21)</b>	<b>-</b>									
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,114</b>	<b>1,145</b>	<b>1,137</b>	<b>1,129</b>	<b>(120)</b>	<b>1,149</b>	<b>1,189</b>	<b>1,266</b>	<b>1,363</b>	<b>19,701</b>	



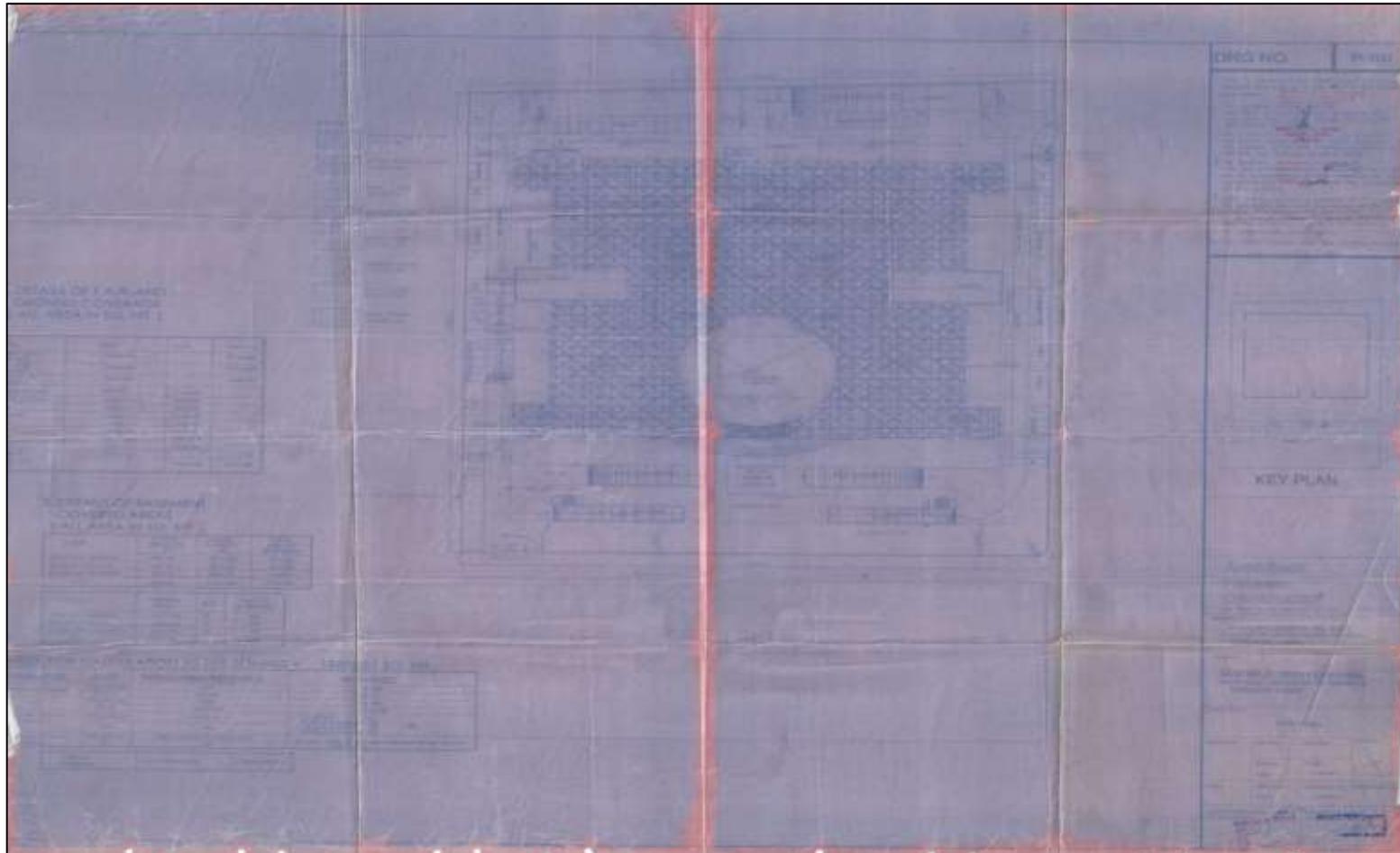
Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.

**Annexure 2: Ownership Structure**





**Annexure 3: Site Layout**



*Source: As provided by Client*

**Annexure 4: Subject Property Photographs**



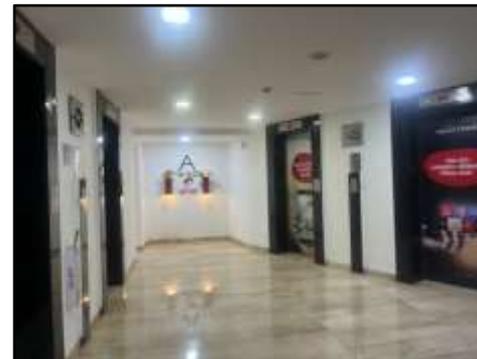
View of Subject Property



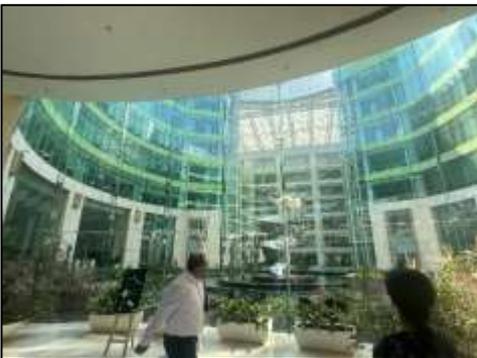
View of Subject Property



View of Subject Property



View of Subject Property



View of Subject Property



View of Subject Property



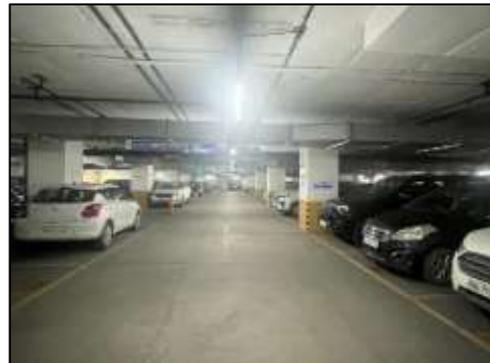
View of Cafeteria



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 2022 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/Sci/Sci (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space (Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial/Sci/Sci (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space (Rs. Per Sq. Feet)
1	Sec- 42, 43	50000	146000	15000	7000	55000	160000	10000	7000	60000	190000	12000	8400
2	Sec-14, 15, 16, 17, 40	45000	150000	8000	6500	50000	150000	8000	6500	55000	181500	11000	8300
3	Sec- 38,	40000	140000	8900	6300	45000	140000	8900	6300	54000	168000	11000	7500
4	Sec- 21,22, 22A, 23, 23A,	35000	140000	8800	6100	40000	140000	8800	6100	48000	168000	10800	7300
5	Sector 1, 2, 3, 3A, 4, 5, 6, 7, 12, 12A, 13	38000	138000	8000	6600	40000	130000	8000	6000	48000	162000	11000	7900
6	Sec-18, 19, 20,	NA	110000	8000	6600	NA	110000	8000	6000	NA	132000	11000	7900
7	Sec-26	NA	88000	8000	6600	NA	88000	9000	6600	NA	108000	11000	7900
8	Sector 104, 105, 106, 109, 110, 110A, 111, 112, 113, 114, 115	30000	100000	4500	3000	34000	100000	4500	3000	44000	120000	5400	3800

Joint Sub-Registrar  
Gurugram

Sub Registrar  
Gurugram

SDG (C-1)  
Gurugram

SDG  
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

## Worldmark Gurugram, Sector - 65, Gurugram, Haryana

Date of Valuation: 31 March 2024

Date of Report: 10<sup>th</sup> May 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" or "REIT") and / or its associates and its unitholders for the proposed acquisition. 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 Brookfield India REIT may share the report with its appointed advisors for any statutory or reporting requirements or include it in stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document/any publicity material / research reports / presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the property by Brookfield India REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 09<sup>th</sup> April 2024 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 09<sup>th</sup> April 2024. 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>	31 <sup>st</sup> March 2024
<b>Site Visit Date:</b>	22 <sup>nd</sup> April 2024
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.
<b>Valuation Purpose:</b>	Disclosure of valuation of asset to be formed as a 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), DLF Hines Elevate (upcoming) and others.</li> </ul>
<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 86.3% (occupancy for office space is 81% and occupancy for retail space is approximately 96%).</p>
	 <p>External view of the Subject Property</p>  <p>External view of the Subject Property</p>  <p>View of the Office Space</p>  <p>Primary access of the Subject Property</p>



Tower 1: Consists of G+13 structure with total leasable area of approximately 1,75,731 sq. ft. The average floor plate of the tower is approximately 14,000 sq. ft. Some of the key office tenants in the Tower are Terumo, WhiteLand Corporation Private Limited, Elite Landbase Private Limited, and Asics India Private Limited etc. Retail tenants in the tower include Tanishq and Beliram among others.

Tower 2: Consists of G+8 structure with total leasable area of approximately 2,64,417 sq. ft. The average floor plate of the tower is approximately 28,000 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.

Tower 3: Consists of G+6 structure with total leasable area of approximately 1,83,436 sq. ft. The average floor plate is approximately 26,000 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, Adidas, and Puma, etc. Tower 3 also features a food court which includes tenants such as Haldiram's, Burger King, and Karim's among others.

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 & 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.

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.

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.

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.

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.



<b>Total Area:</b>	Total Land Area: 6.7 Acres Leasable Area: 7,51,397 sq. ft. Total Leased Area: 6,48,663 sq. ft.	
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*Source: Architect's Certificate (Dated: 8<sup>th</sup> May 2024), \*Rent Roll as of 31<sup>st</sup> March 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 31<sup>st</sup> March 2024, is as follows:

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 <sup>st</sup> March 2024	INR 9,855 Million	Indian Rupees Nine Billion Eight 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**

**Subject Property: Worldmark Gurugram, Sector- 65, Gurugram, Haryana**

**Report Date: 10<sup>th</sup> May 2024**

**Valuation Date: 31<sup>st</sup> March 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 Gurugram (hereinafter referred to as “Subject Property” and/or “Worldmark Gurugram”) for the proposed acquisition 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 16 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 or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations issued by the Securities and Exchange Board of India ("SEBI") or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to the Acquisition, including any preliminary or final international offering documents for distribution to investors outside India, and any publicity material, research reports, presentations or press releases, in connection with the Acquisition (collectively, the "Documents").

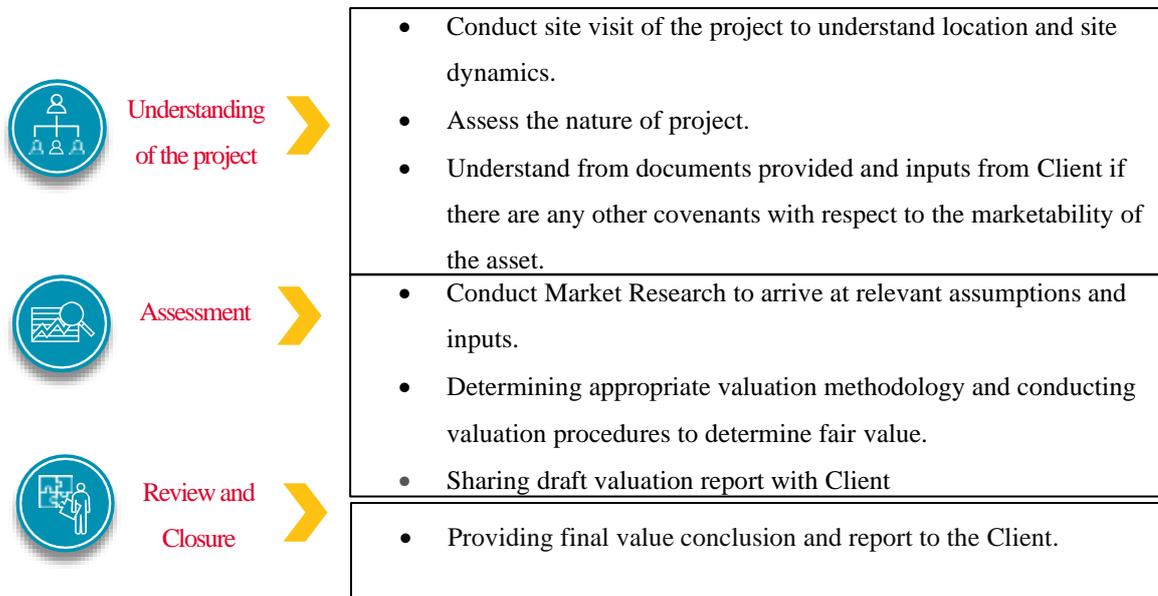


## 5 Basis of Valuation

It is understood that the valuation is required by the Client of the Subject Property which is proposed to be acquired (“Proposed Acquisition”) by Brookfield India REIT, in accordance with 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 and for accounting purposes. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, 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 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, proposed to be 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 proposed to be 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 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 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 Market 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

### 1.1 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.

### 1.2 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 Q1 CY 2024 (msf)</b>	92.37	3.45	1.52	64.12	23.29	18.51	10.76
<b>Current Occupied Stock till Q1 CY 2024 (msf)</b>	72.01	2.65	1.35	50.23	17.77	10.37	6.15
<b>Current Vacancy Q1 CY 2024 (%)</b>	22.0%	23.2%	10.9%	21.7%	23.7%	44.0%	42.8%
<b>Avg. Annual Absorption – CY 2015 – Q1 CY 2024 (msf)</b>	3.54	0.16	0.13	2.30	0.96	0.96	0.65
<b>Future Supply Q2 CY 2024 E – CY 2026 E (msf)</b>	15.88	-	3.45	8.32	4.11	2.81	1.95
<b>Market Rent – Q1 CY 2024 (INR psf / month)</b>	89	146	229	95	54	64	70
<b>CAGR for Market Rent (CY 2015 – Q1 CY 2024)</b>	2.0%	1.1%	4.4%	2.1%	3.7%	2.8%	2.7%

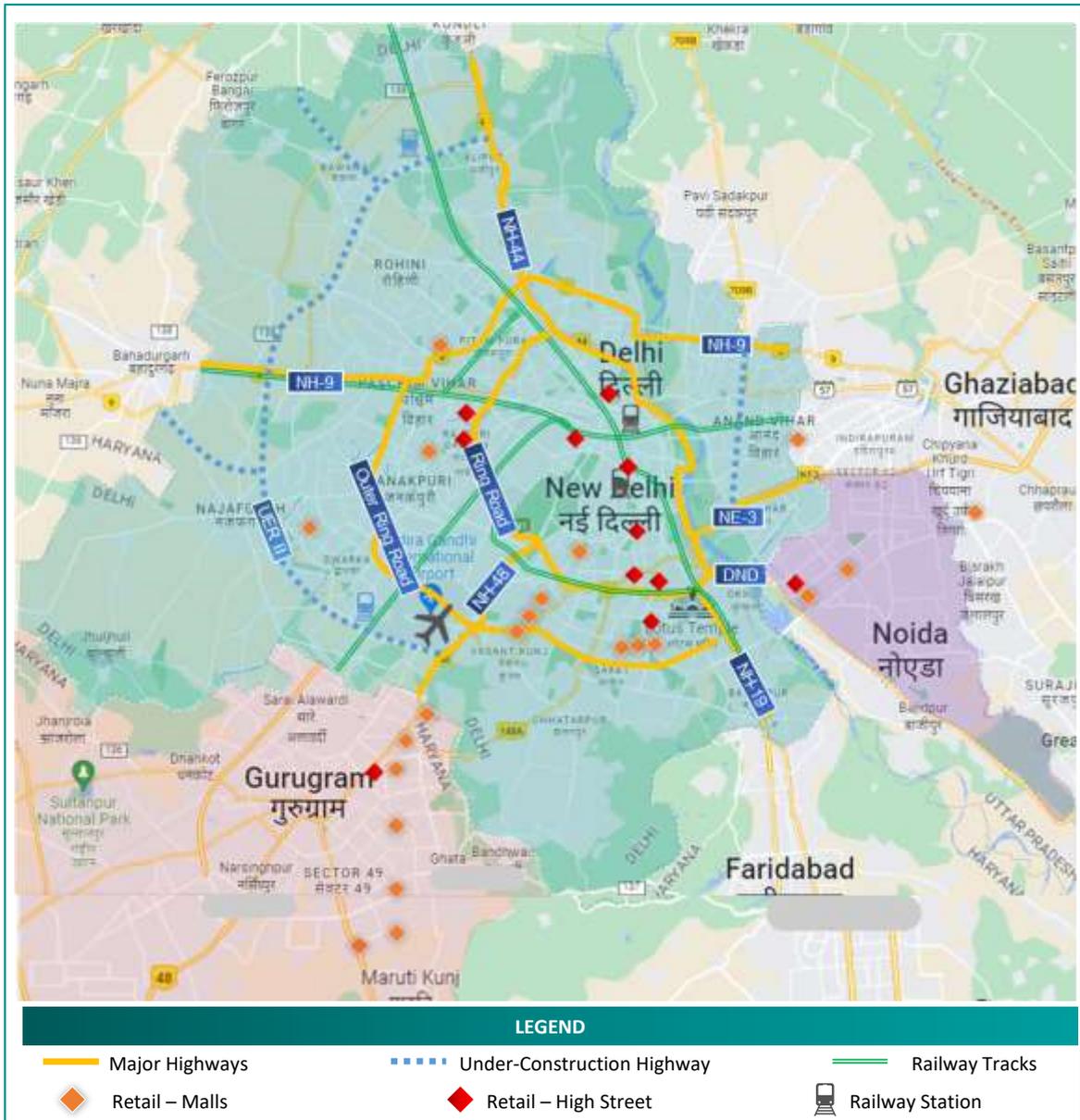
Source: Cushman and Wakefield Research

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

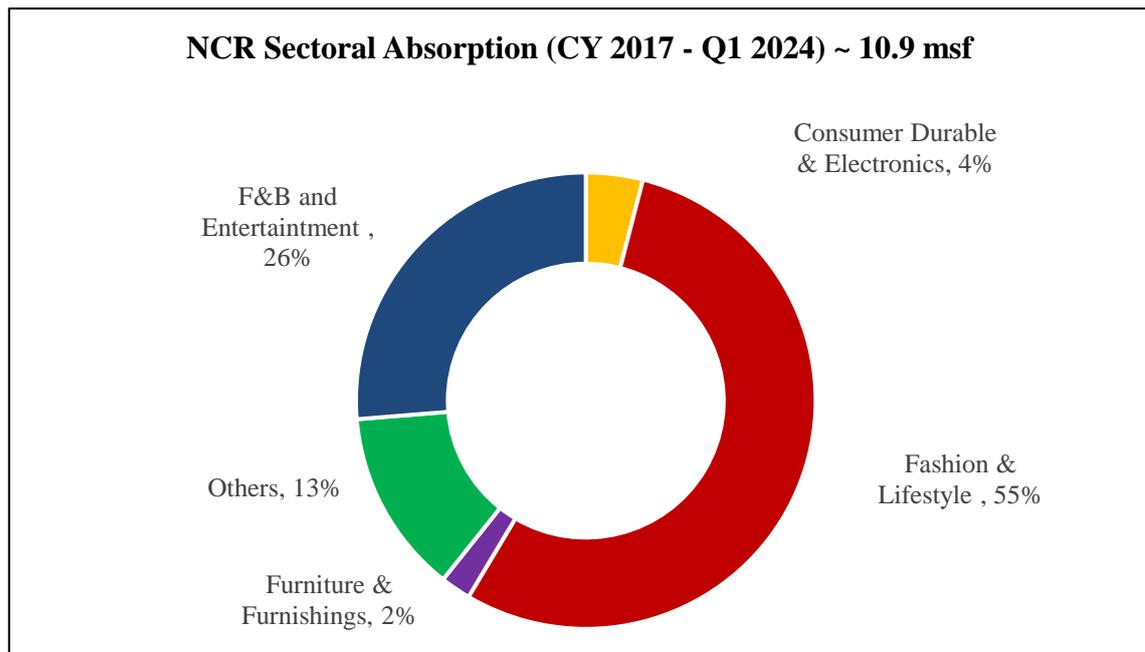
In recent years, a noticeable and transformative shift in consumer preferences and retail trends has been observed, with momentum steadily moving away from traditional mall developments towards F&B and high street developments. Delhi NCR has adeptly embraced and accommodated this evolving trend. This 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 26% of the retail absorption from CY 2017 till Q1 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:

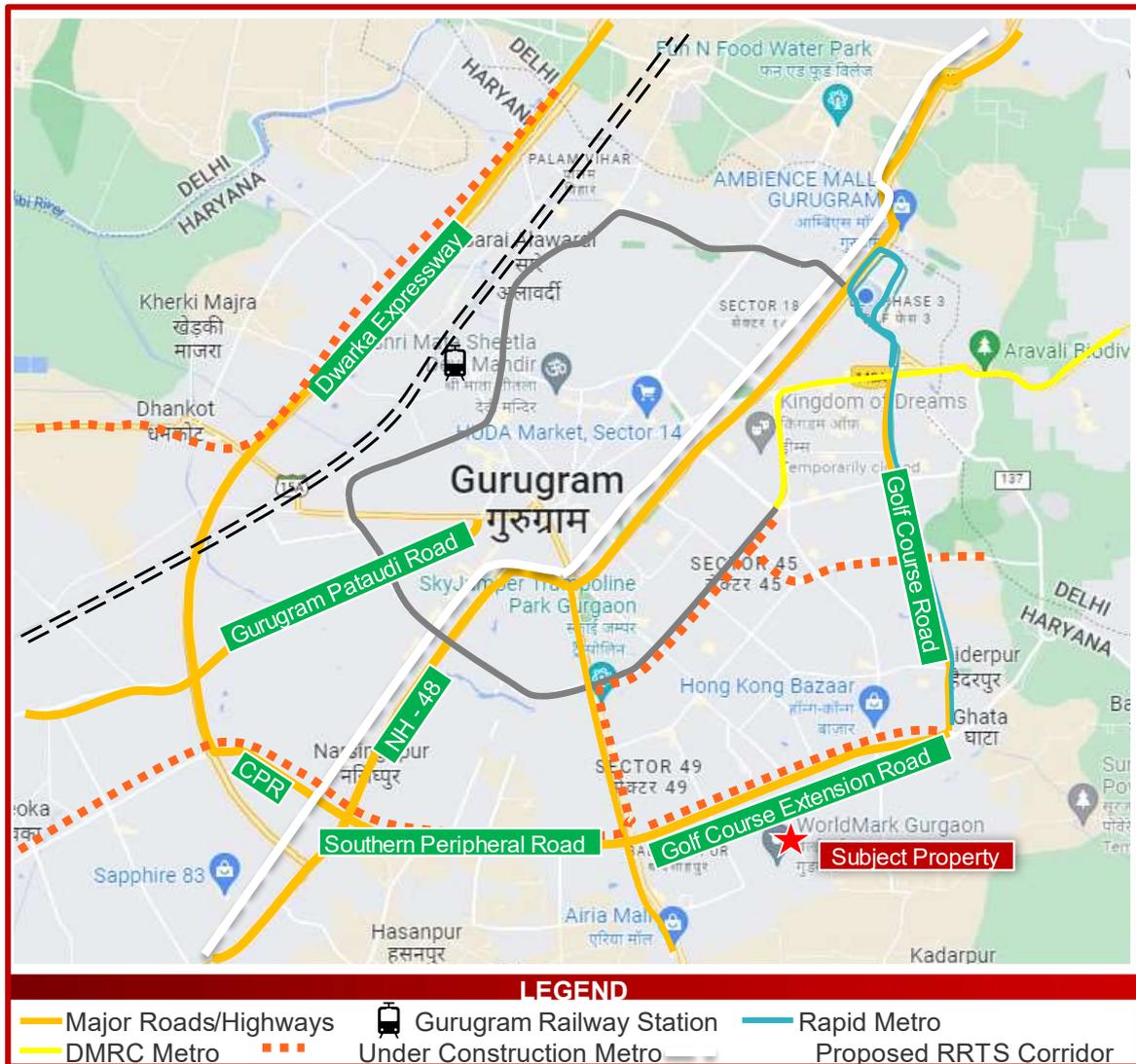
1. **Proximity to prominent residential nodes** - Malls located near residential areas benefit from a direct catchment of potential customers. Proximity to residential nodes makes it convenient for residents to access these retail developments, reducing travel time and effort. This convenience factor 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 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.



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 (Q1 CY 2024)</b>	Approximately 64.12 msf
<b>Current Occupied Stock (Q1 CY 2024)</b>	Approximately 50.23 msf
<b>Current Vacancy (Q1 CY 2024)</b>	Approximately 21.7%
<b>Avg. Annual Net Absorption (CY 2015 – Q1 CY 2024)</b>	Approximately 2.30 msf
<b>Future Supply (Q2 CY 2024 E – CY 2026 E)</b>	Q2 CY 2024E to Q4 CY2024E: Approximately 1.83 msf CY 2025E: Approximately 3.75 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 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.



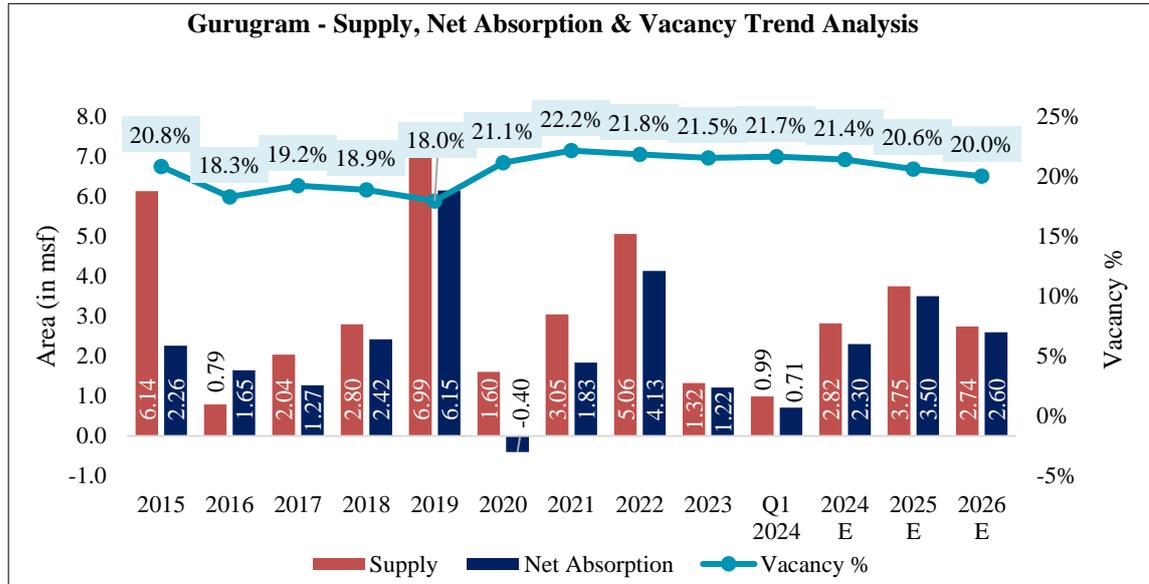
The key drivers of demand for office space in Gurugram are as follows:

- **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 Q1 CY 2024 is 0.99 msf with vacancy of 22% as compared to 0.05 msf and 22% 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 15% as compared to the strata developments as 33%. 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 Q1 CY 2024, office buildings like One Horizon Center, DLF Cyber Park



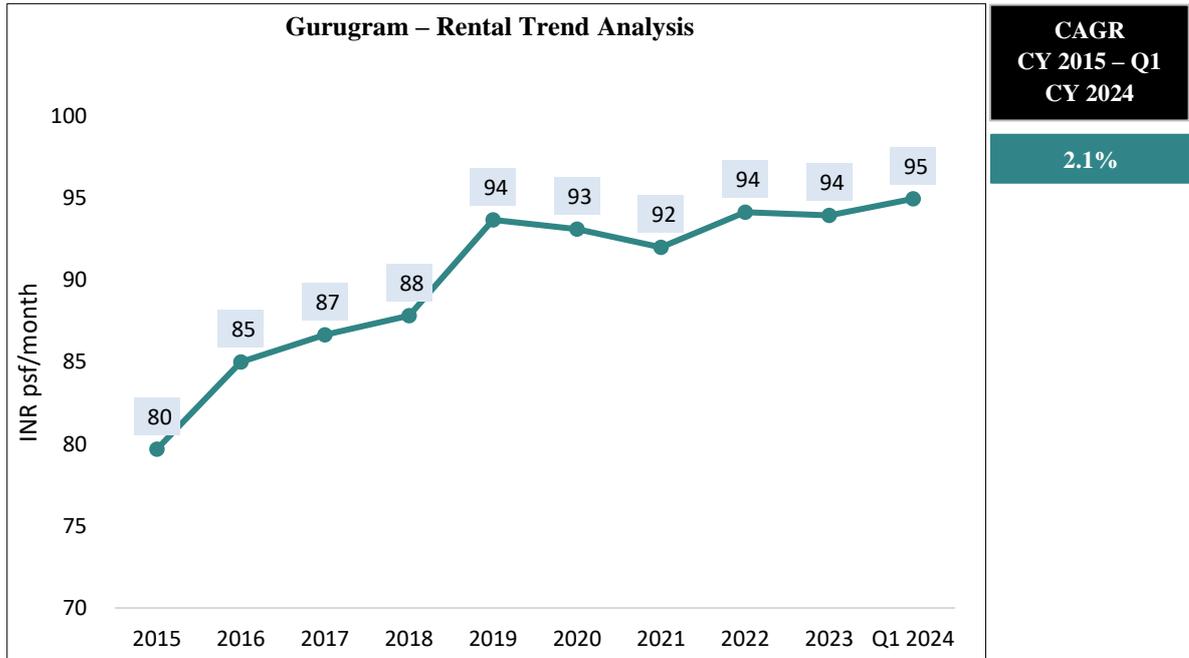
are fully occupied. TRIL Commercial and multiple buildings in DLF Cyber City have vacancy below 5%. Further, DLF Downtown which was completed in CY 2022 was more than 90% pre-committed prior to its completion and is currently fully occupied.

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 8.32 msf scheduled for completion between Q2 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.

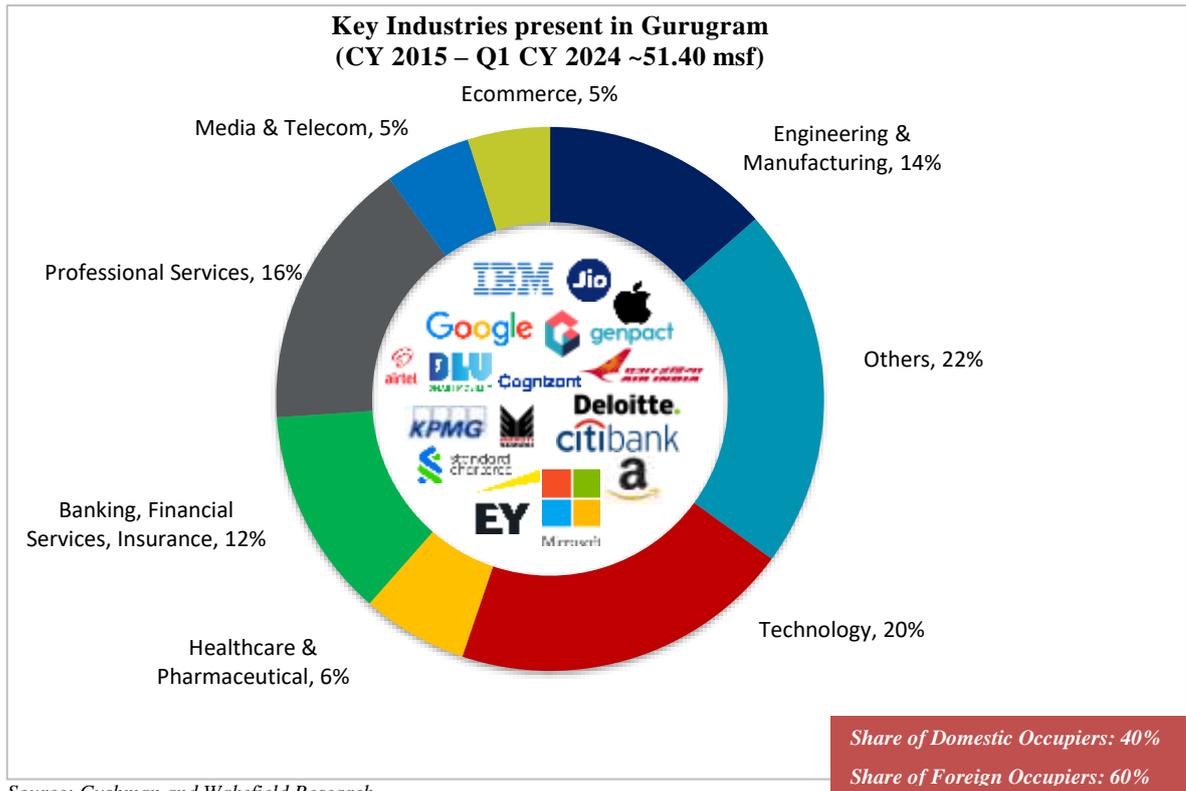
Gurugram witnessed a stabilised rental growth of approximately 3.3% between CY 2015 to CY 2018 and witnessed sharp spike in CY 2018 – CY 2019, resulting in a rental growth of ~6.6%. Approximately 75% of the supply addition in the city between CY 2020 and CY 2022 are either in the developing office micro 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 – Q1 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 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 20% to the overall demand. The other prominent industries contributing 42% to the demand are Professional Services (16%), BFSI (12%) and Engineering & Manufacturing (14%). 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 % (Q1 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	15 – 20%	150 – 175	Cinopolis, Reliance Smart, Westside, Iconic, Smaaash

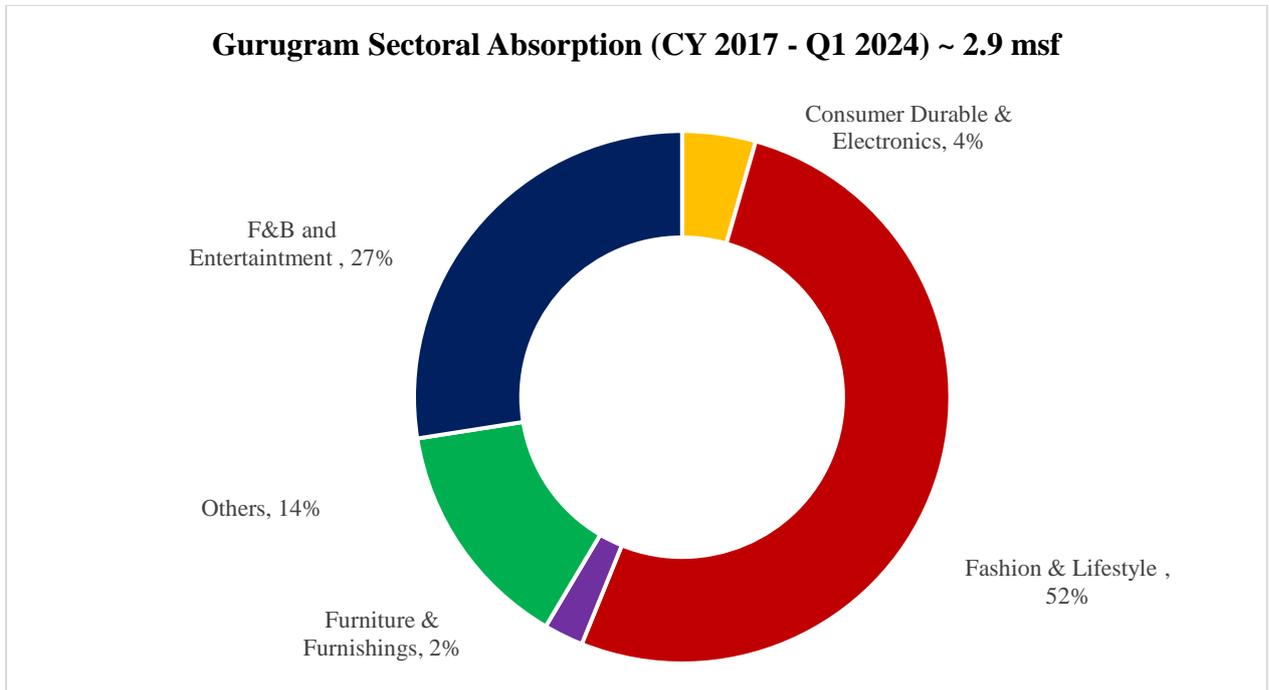
The table below highlights prominent non-strata retail developments (in F&B format) across Gurugram and the vacancy status of the same:

S.No.	Project Name	Location	Completion Year	Gross Leasable Area	Vacancy % (Q1 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:



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

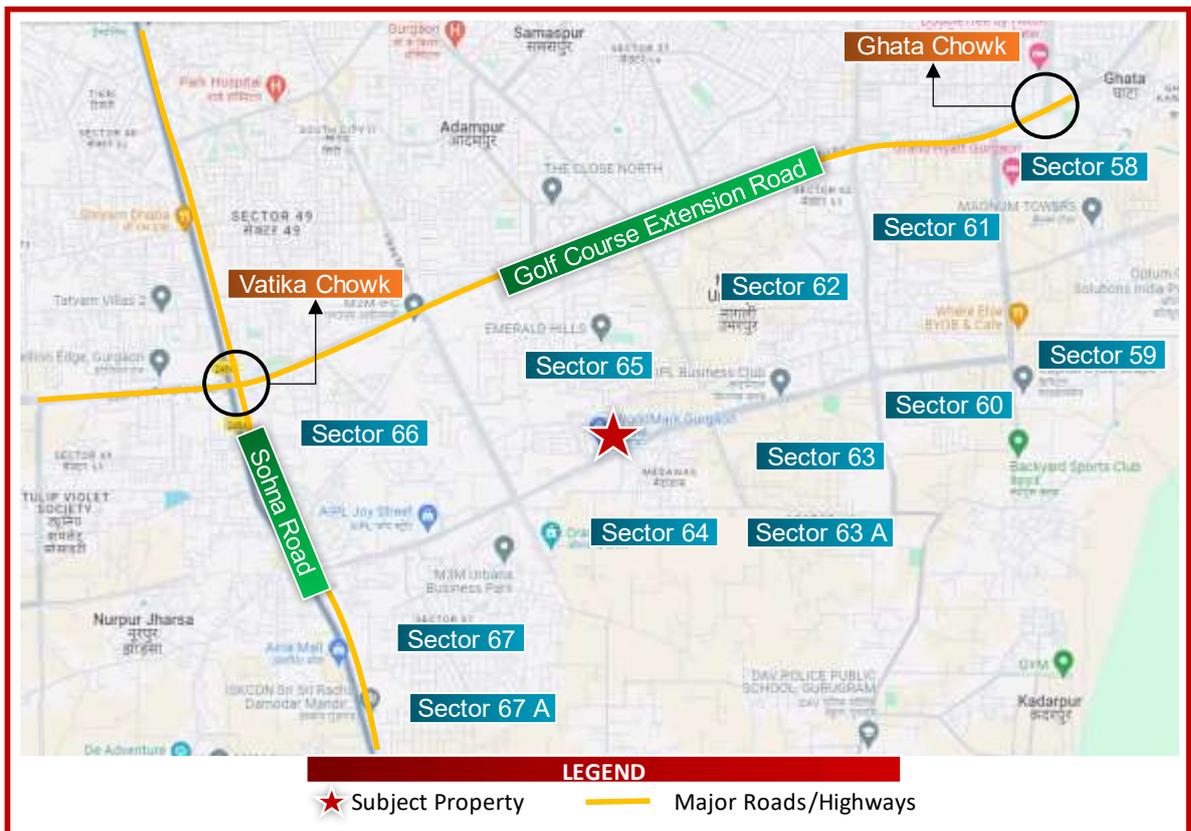
<b>Sub-Micro Market</b>	<b>Sectors/Description of Location</b>
Golf Course Extension Road	Sectors 58 till Sector 67A
Southern Peripheral Road	Sector 69 till Sector 75A
New Gurugram	Sectors 76 till 95B
Norther Peripheral Road (Dwarka Expressway)	Sector 36, 36A, 36B, 37D, and 99 till 115
NH8 Non-Prime	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.

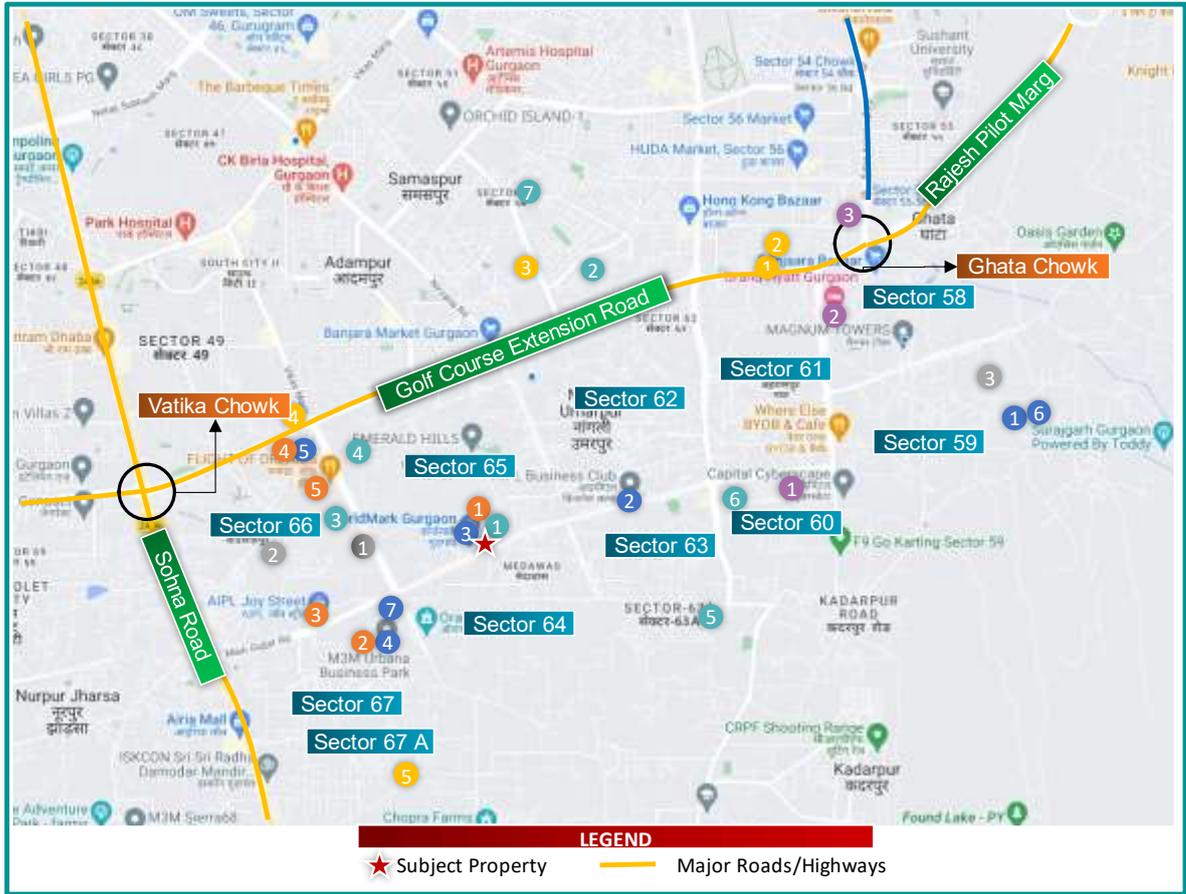


Source: Cushman & Wakefield Research  
(Map not to scale)



**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 Commercial Developments
- Social Infrastructure
- Retail Development
- Proposed/Under Construction Office Developments
- Hospitality Developments
- Higher Education Institutions

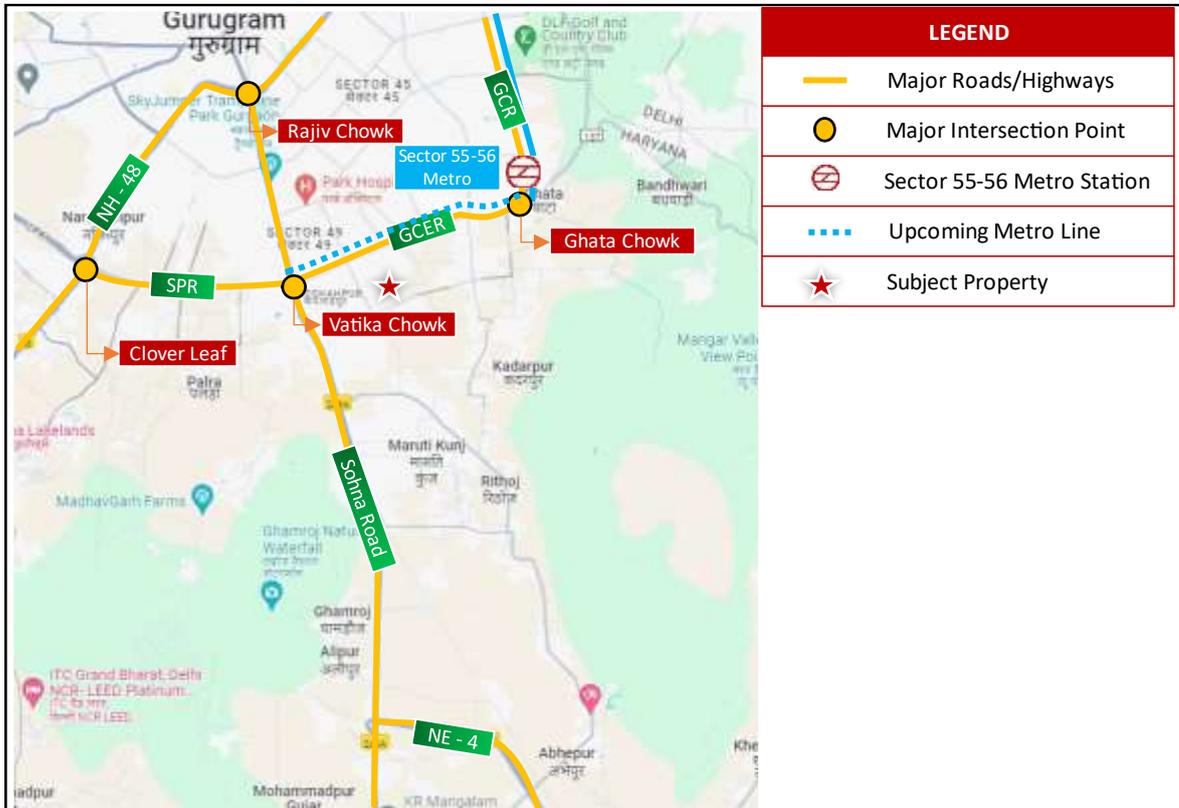
Key Office Developments	Social Infrastructure	Retail Developments	Proposed/Under Construction Office Developments	Hospitality Developments	Upcoming Retail Developments
1. International Tech Park Gurgaon	1. Marengo Asia Hospital	1. Worldmark Gurugram (Subject Property)	1. AIPL Autograph	1. Lemon Tree 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 GCER 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.

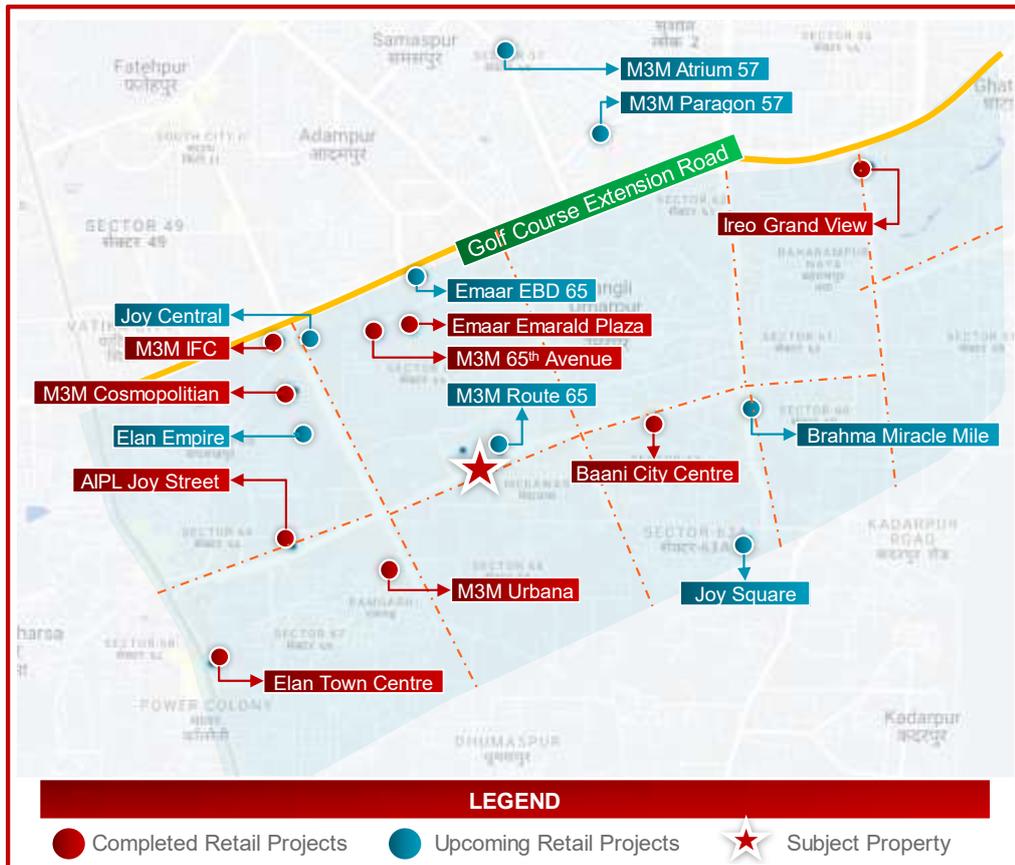
There are number of existing and upcoming residential supply (which is likely to get ready in next 3-5 years) at GCER. These residentially supplies are the primary catchment for the Subject Property.

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, Bani 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)*

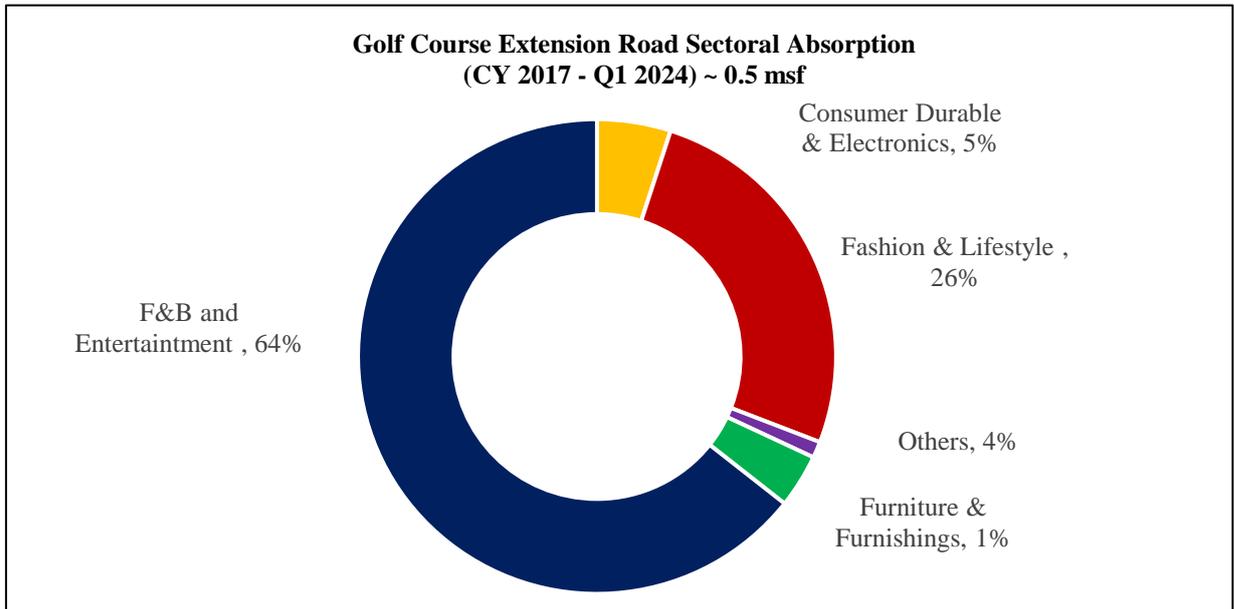
Retail offerings on Golf Course Extension Road have emerged through mixed land-use developments that include a combination of retail high streets either with commercial spaces or residential developments. Instead of strictly segregating land for residential and commercial purposes, these developments 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.



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 Q1 2024. The share of non-strata owned office stock is 5.18 msf (48%) and strata owned office stock is 6.04 msf (54%). Developer like Emaar, Poiner, CapitalLand, M3M, Capital Group and AIPL holds notable share of approximately 48% of the office stock in the Subject Micro Market.

#### 4.6 Key Statistics

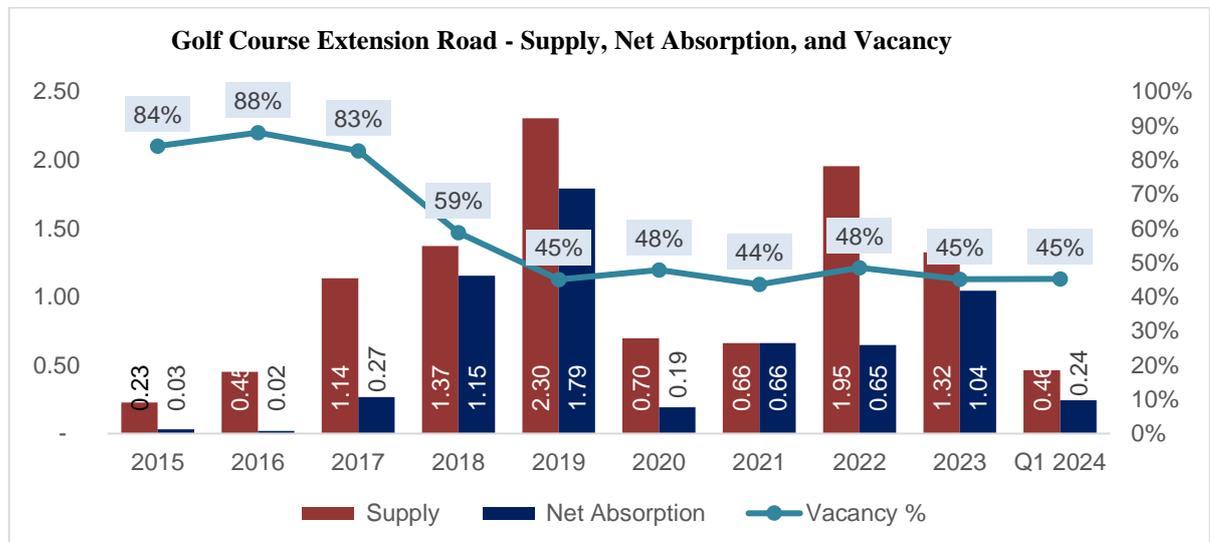
Particulars	Overall	Non-Strata	Strata
<b>Total Completed Stock till Q1 CY 2024 (msf)</b>	11.22 msf	5.18 msf	6.04 msf
<b>Current Occupied Stock till Q1 CY 2024 (msf)</b>	6.15 msf	3.13 msf	3.03 msf
<b>Current Vacancy Q1 CY 2024 (%)</b>	45%	40%	50%
<b>Avg. Annual Net Absorption – (CY 2015 – Q1 CY 2024) (msf)</b>	0.65 msf	0.34 msf	0.32 msf
<b>Future Supply – Q2 CY 2024 E – 2026 E (msf)</b>	2.81 msf	2.81 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 Q1 CY 2024, the Subject Micro Market has a vacancy of approximately 45% 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 Golf Course Extension Road – Non-Strata Office Market Overview**

As on as on Q1 2024, the non-strata owned office stock in the Subject Micro Market is 5.18 msf. Out of which more than 50% are SEZ developments. Few of the prominent non-strata buildings present in the Subject Micro Market includes Worldmark Gurugram (Subject Property), Capital City Scape, International Tech Park Phase I and II, TRIL Intellion Park, Capital Cyberscape (Tower 1), Pioneer Square etc.

The expected future supply in the Subject Micro Market is from developers including AIPL and Tata Realty

#### **4.9 Key Statistics**

<b>Particulars</b>	<b>Non-Strata</b>	<b>Non- SEZ</b>	<b>SEZ</b>	<b>% SEZ to Non-strata</b>
<b>Total Completed Stock till Q1 CY 2024</b>	5.18 msf	2.42 msf	2.77 msf	53%
<b>Current Occupied Stock till Q1 CY 2024</b>	3.13 msf	2.04 msf	1.09 msf	39%
<b>Current Vacancy Q1 CY 2024 (%)</b>	40%	16%	61%	82%
<b>Avg. Annual Net Absorption – (CY 2015 – Q1 CY 2024)</b>	0.34 msf	0.29 msf	0.17 msf	51%
<b>Future Supply – Q2 CY 2024 E – 2026 E</b>	2.81 msf	1.81 msf	1.00 msf	36%

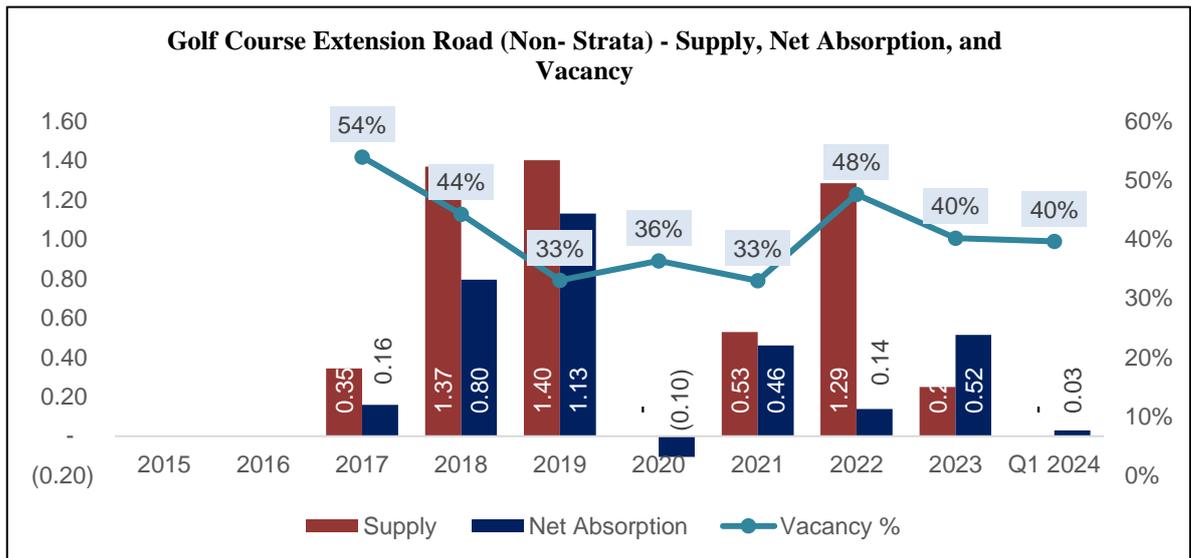
*Source: Cushman & Wakefield Research*

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, strata owned 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.*



**4.10 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 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.

**4.11 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 Q1 CY 2024, the Subject Micro Market has a vacancy of approximately 40% 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.

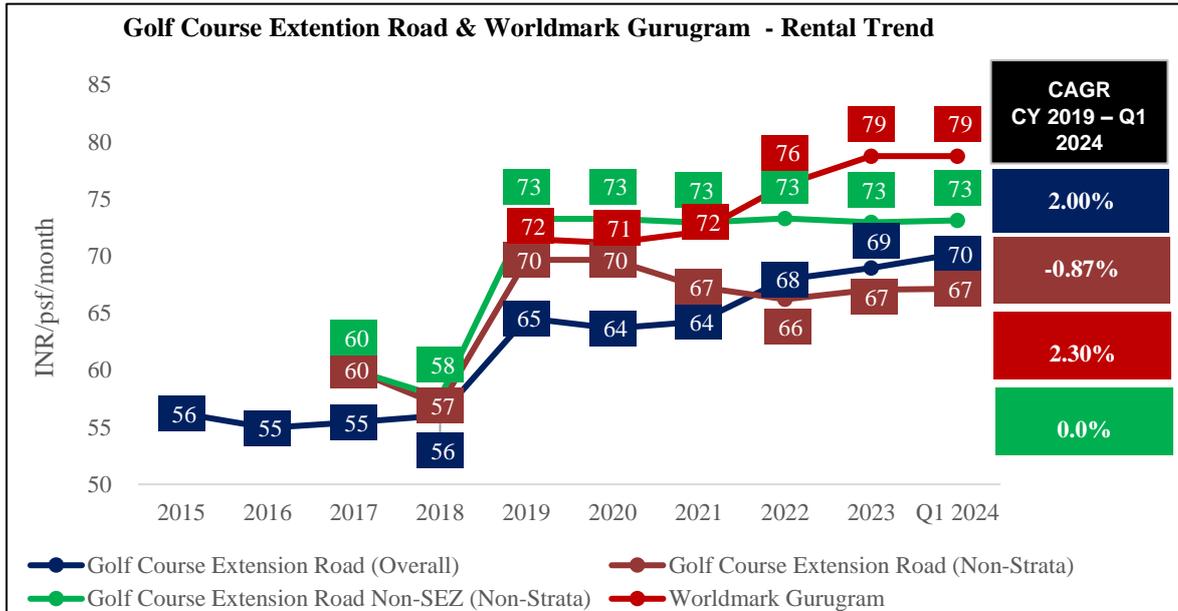
The vacancy in Non- Strata and Non -SEZ office developments is even lower and stands at 16% as on Q1 CY 2024. In few of the office buildings in this category the like Capital Cyberscape and Pioneer Square the vacancy is nil viz. these buildings are fully occupied.

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.



**4.12 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 rentals are as on Financial Year ending i.e., as of end of March. 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.

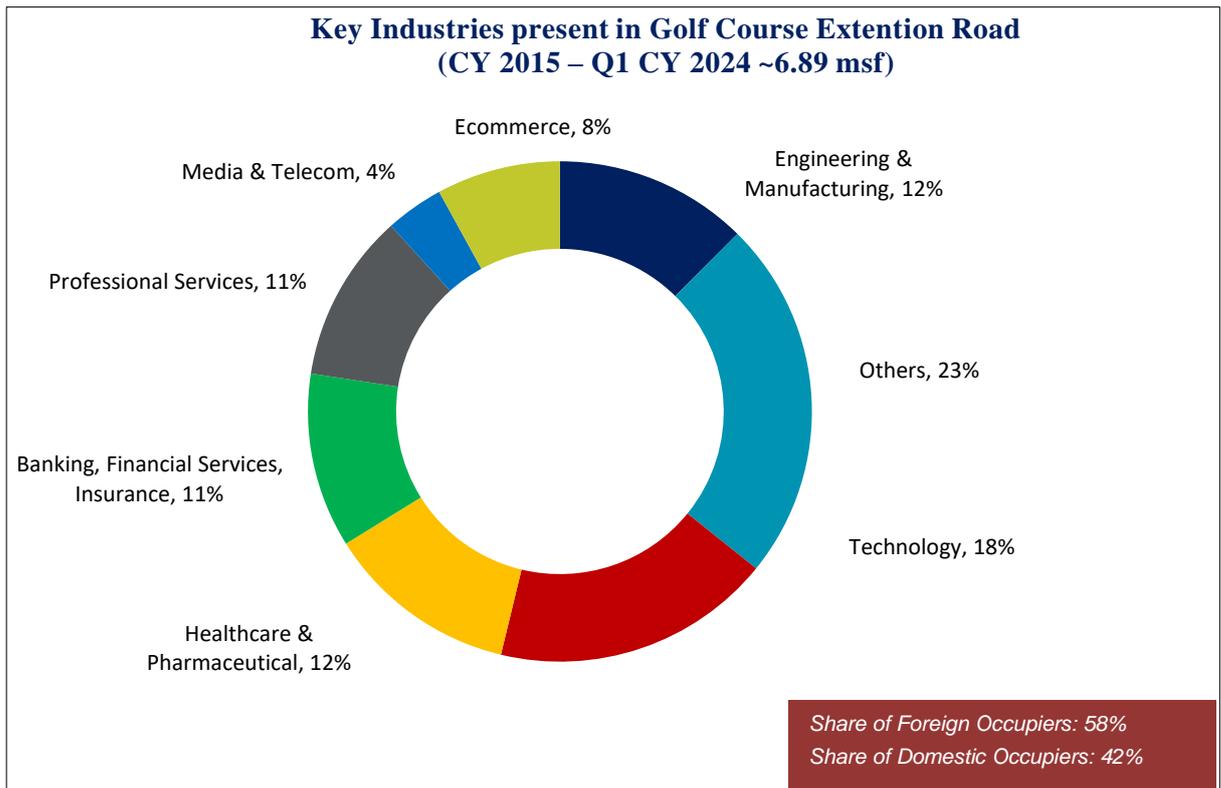
While rentals in Golf Course Extension Road’s non-strata owned supply have been range bound since CY 2019, there has been a slight dip in rentals due to addition of SEZ stock like International Tech Park Gurgaon and TRIL Intellion Park which are trading at a rental lower than the weighted average rental 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 2.3% as compared to 2.0% 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.



**4.13 Overall - Sectoral Demand Analysis (CY 2015 – Q1 CY 2024)**



Source: Cushman & Wakefield Research

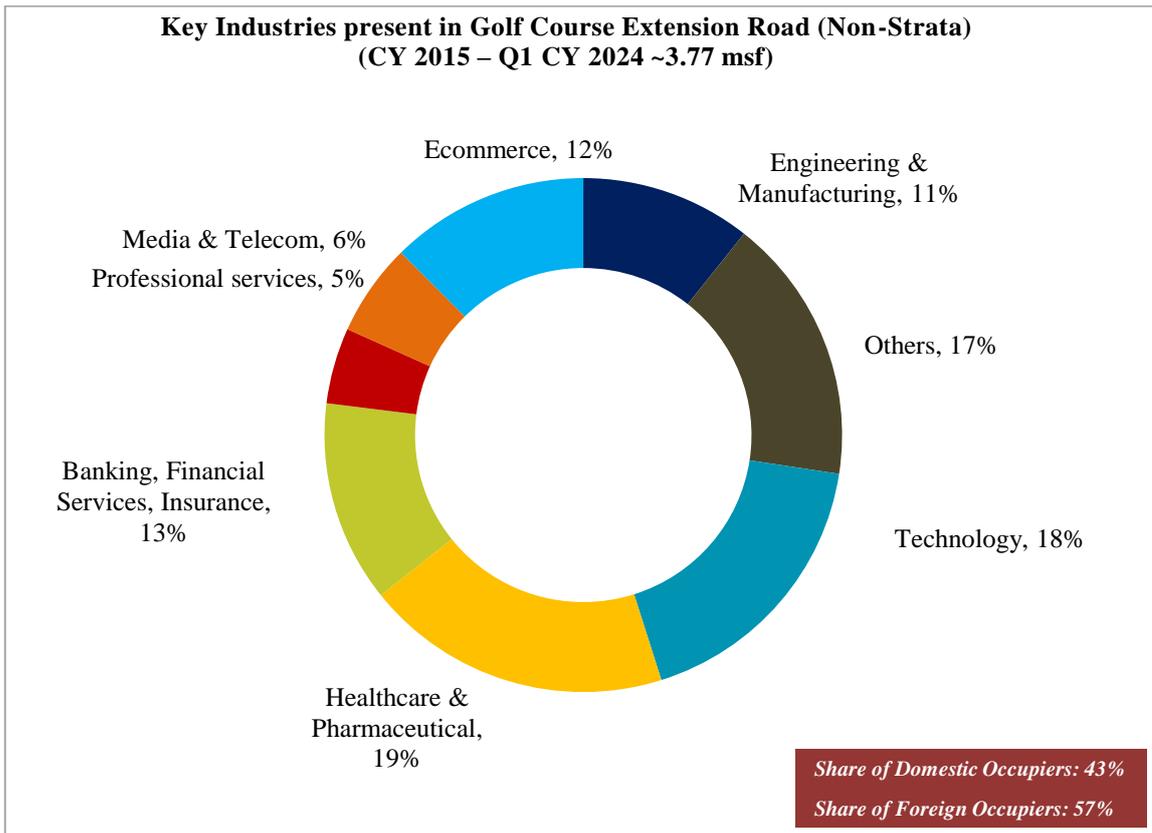
Notes:

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 53% of the leasing activity in the years CY 2015 to Q1 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 58:42.



**4.14 Non-Strata - Sectoral Demand Analysis (CY 2015 – Q1 CY 2024)**



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 non-strata owned relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Golf Course Extension Road (Non- Strata) is dominated by mix of Technology, Healthcare & Pharmaceutical, BFSI and Engineering & Manufacturing together contributing 61% of the leasing activity in the years CY 2015 to Q1 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 43:57.



## **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 Q1 CY 2024, the office vacancy in Subject Micro Market for Non – Strata, Non -SEZ developments stands at 15% as compared to overall vacancy of 40%. The office vacancy of the Subject Property is 19% which is in line with the market benchmarks.

As on Q1 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% to 6% 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.

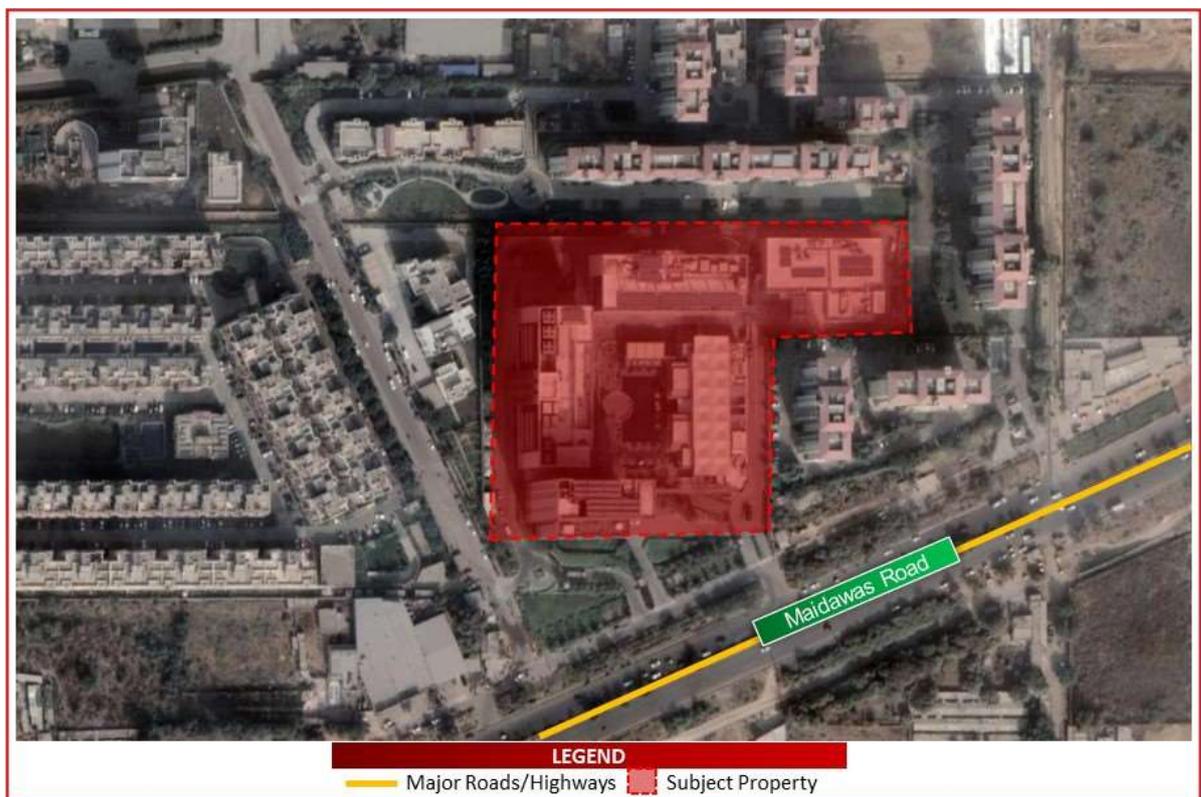
## **2 Location**

### **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:

<b>Particulars</b>	<b>Leasable Area (sq. ft.)</b>	<b>Floor (#)</b>	<b>Status</b>	<b>Expected Completion Date</b>
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 (8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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>Age of building based on the date of Occupancy Certificate:</b>	Tower 1 - 3 Years 8 Months Tower 2 – 5 Years 4 Months Tower 3 – 5 Years 4 Months Tower 4 – 5 Years 4 Months Tower 5 – 3 Years 8 Months
<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>	648,663 sq. ft.
<b>Occupancy (%):</b>	86.3%
<b>Current Effective Rent (excluding parking):</b>	INR 78.51 per sq. ft. per month (office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 87.86 per sq. ft per month (Office and Retail tenants only)
<b>Number of Tenants:</b>	20 (office) 62 (retail)

*Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as of 31<sup>st</sup> March 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.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational buildings</li> <li>b. 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 (8<sup>th</sup> May 2024.), \*Rent Roll as of 31<sup>st</sup> March 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 Property proposed to be 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: 8<sup>th</sup> May 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 31<sup>st</sup> March 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~49% of leased area and ~42% 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 Softtech 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 31<sup>st</sup> March 2024 and Client Information

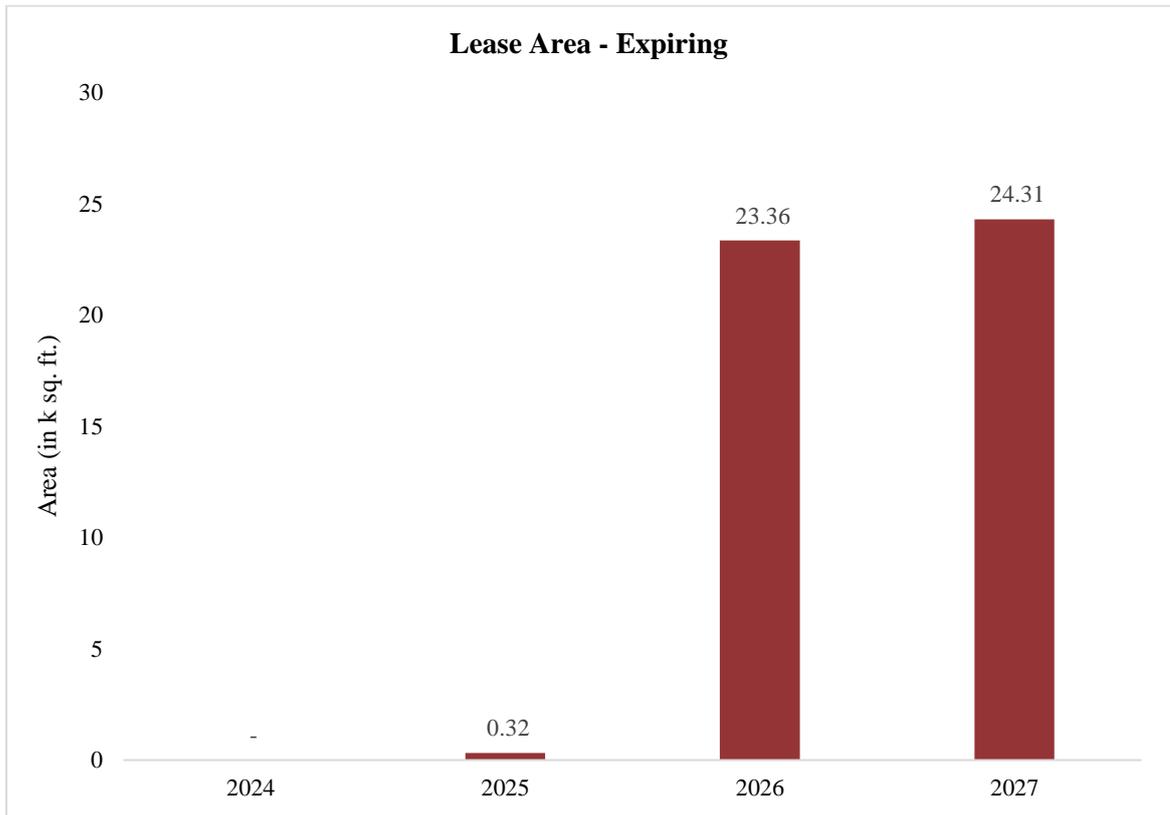
Rank	Category	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Office	Airtel International LLP	7%
2	Office	HL Mando Softtech India Pvt. Ltd.	7%
3	Retail	PVR Limited	5%
4	Office	Yum Restaurants India Pvt. Ltd.	4%
5	Office	Terumo India Pvt. Ltd.	4%
6	Office	Versuni India Home Solutions Limited	4%
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>42%</b>

Source: Rent Roll as of 31<sup>st</sup> March 2024 and Client Information



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 7.4 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 31<sup>st</sup> March 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents April 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 31<sup>st</sup> March 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-34

**Subject Property Details:**

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	751,397
Area Leased	sq. ft.	648,663
Committed Occupancy*	%	86.3%
Vacant Area	sq. ft.	102,734
Vacancy	%	13.7%
Stabilized Vacancy	%	2.50%
Further Leasing	sq. ft.	83,949
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 (8<sup>th</sup> May 2024), \*Rent Roll as of 31st March 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 2015 – Q1 CY 2024, the Subject Micro Market has witnessed an average annual net absorption of approximately 0.65 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 ~0.08 msf within 5 quarters from July 2024 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 1.97
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 22.05

• **Market rent - office:**

- 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)
- In year FY' 2024, approximately 0.07 msf was leased in the rental range of INR 77 – 78 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
HL Mando	2024	25,138	79
Terumo	2023	14,645	78
Mathisys	2023	14,328	78
Terumo	2023	14,645	78

Source: Rent roll as of 31<sup>st</sup> March 2024 and Client Information

- 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:**

- In year FY' 2024, approximately 0.03 msf was leased in the rental range of INR 90 – 139 per sq. ft. per month (including parking).

**Lease Transactions FY' 2023-2024:**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month)
You Mee	2023	3,180	120
Karigari	2023	4,240	130
Sitch	2023	6,330	120
Punjab Grill	2023	4,022	100
Giani's	2023	567	139
Tanishq	2023	6,268	90
Café Delhi Heights	2023	3,512	100
Viet:Nom	2023	4,522	110

Source: Rent roll as of 31<sup>st</sup> March 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 5-6% 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.
- **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'24 and the same has been projected to increase at 5% per annum from FY'25 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 8.50
O&M Expense	Per sq. ft. per month	INR 16.99
Property Tax	Per sq. ft./month	INR 2.98
Cost Escalation	% p.a.	5.0%
Maintenance Capex	Per sq. ft. per month	INR 2.1

- **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'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.
- **O&M Expense:** O&M Expense has been provided for FY'24 and the same has been projected to increase at 5% per annum from FY'25 onwards.



**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 aforementioned Subject Property comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 31<sup>st</sup> March 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	31 <sup>st</sup> March 2024	INR 9,855 Million	Indian Rupees Nine Billion Eight Hundred and Fifty-Five 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**

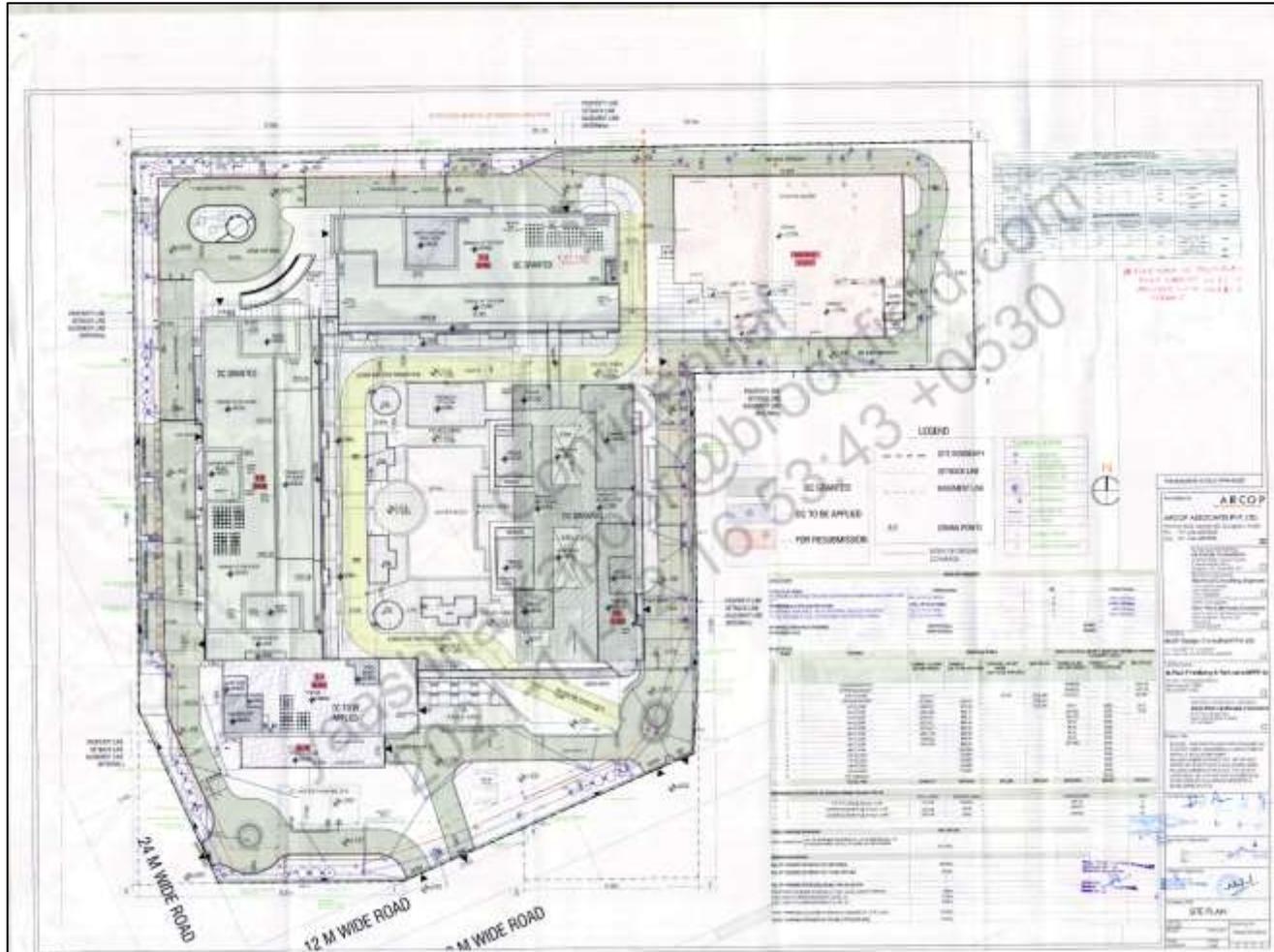
**Completed buildings.**

Particulars	Unit	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33	1-Apr-34
		31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals (Including Parking)	INR Million	717	813	857	893	920	954	983	1,003	1,037	1,088	1,155
O&M Income	INR Million	151	174	181	190	197	208	227	250	270	281	293
Other Income (Telecom)	INR Million	19	20	21	22	23	24	25	26	28	29	30
<b>Total Income</b>	<b>INR Million</b>	<b>886</b>	<b>1,007</b>	<b>1,059</b>	<b>1,104</b>	<b>1,140</b>	<b>1,185</b>	<b>1,236</b>	<b>1,279</b>	<b>1,335</b>	<b>1,398</b>	<b>1,478</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>886</b>	<b>1,007</b>	<b>1,059</b>	<b>1,104</b>	<b>1,140</b>	<b>1,185</b>	<b>1,236</b>	<b>1,279</b>	<b>1,335</b>	<b>1,398</b>	<b>1,478</b>
<b><u>OPERATING COSTS</u></b>												
O&M Costs For Vacant Areas	INR Million	(7)	(1)	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(28)	(30)	(31)	(33)	(34)	(36)	(38)	(40)	(42)	(44)	(46)
O&M Expense	INR Million	(143)	(164)	(173)	(182)	(191)	(200)	(210)	(221)	(232)	(243)	(255)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(178)</b>	<b>(194)</b>	<b>(204)</b>	<b>(214)</b>	<b>(225)</b>	<b>(236)</b>	<b>(248)</b>	<b>(260)</b>	<b>(273)</b>	<b>(287)</b>	<b>(301)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>708</b>	<b>813</b>	<b>854</b>	<b>890</b>	<b>915</b>	<b>949</b>	<b>988</b>	<b>1,018</b>	<b>1,062</b>	<b>1,111</b>	<b>1,176</b>
<b>Terminal Value</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	14,703	-
<b>Transaction Cost</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	(147)	-
<b>Fit Out Income</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>708</b>	<b>813</b>	<b>854</b>	<b>890</b>	<b>915</b>	<b>949</b>	<b>988</b>	<b>1,018</b>	<b>1,062</b>	<b>15,667</b>	-
Maintenance Capex	INR Million	(20)	(21)	(22)	(23)	(24)	(25)	(27)	(28)	(29)	(31)	-
Brokerage Expenses	INR Million	(8)	(7)	(2)	(3)	(6)	(7)	(16)	(22)	(12)	(6)	-
<b>Construction Costs</b>	<b>INR Million</b>	<b>(72)</b>	<b>-</b>	<b>-</b>								
<b>Net Cashflows</b>	<b>INR Million</b>	<b>609</b>	<b>785</b>	<b>831</b>	<b>864</b>	<b>884</b>	<b>917</b>	<b>945</b>	<b>969</b>	<b>1,020</b>	<b>15,630</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 3: Site Layout



Source: As provided by Client

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

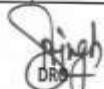


**Annexure 7: Ready Reckoner Rate for Built Up area and Land area.**

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

## Pavilion Mall, Civil Lines, Ludhiana, Punjab

Date of Valuation: 31<sup>st</sup> March 2024

Date of Report: 10<sup>th</sup> May 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" or "REIT") and / or its associates and its unitholders for the proposed acquisition. 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 Brookfield India REIT may share the report with its appointed advisors for any statutory or reporting requirements or include it in stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document/any publicity material / research reports / presentations or press releases to the unitholders, or any other document in connection with the proposed acquisition of the property by Brookfield India REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated 09th April 2024 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 09th April 2024. 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>	31 <sup>st</sup> March 2024
<b>Site Visit Date:</b>	23 <sup>rd</sup> April 2024
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.
<b>Valuation Purpose:</b>	Disclosure of valuation of asset to be formed as a part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014.
<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>



External view of the Subject Property



Internal view of the Subject Property



Food Court



Multiplex



<p><b>Description:</b></p>	<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 87.16%*. 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 border="1" data-bbox="389 741 1161 1240"> <thead> <tr> <th>Floor</th> <th>Usage</th> </tr> </thead> <tbody> <tr> <td><b>Basement 1,2 and 3</b></td> <td>Utility areas and Stacked Parking</td> </tr> <tr> <td><b>Lower Ground/Atrium Floor</b></td> <td>Women's Fashion</td> </tr> <tr> <td><b>Upper Ground/Ground Floor</b></td> <td>Premium and Luxury Brands</td> </tr> <tr> <td><b>First Floor</b></td> <td>Men's Fashion</td> </tr> <tr> <td><b>Second Floor</b></td> <td>Kids and Lifestyle</td> </tr> <tr> <td><b>Third Floor</b></td> <td>PVR and Food court</td> </tr> <tr> <td><b>Fourth Floor</b></td> <td>Entertainment and F&amp;B</td> </tr> <tr> <td><b>Fifth Floor</b></td> <td>Entertainment (Smaash)</td> </tr> <tr> <td><b>Sixth Floor</b></td> <td>Hotel (The Stories)</td> </tr> <tr> <td><b>Seventh Floor</b></td> <td>Fitness Centre (SS Royale Gym)</td> </tr> <tr> <td><b>Eight Floor</b></td> <td>Vacant</td> </tr> <tr> <td><b>Ninth Floor</b></td> <td>Night Club (Tokyo Eye)</td> </tr> </tbody> </table> <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>	Floor	Usage	<b>Basement 1,2 and 3</b>	Utility areas and Stacked Parking	<b>Lower Ground/Atrium Floor</b>	Women's Fashion	<b>Upper Ground/Ground Floor</b>	Premium and Luxury Brands	<b>First Floor</b>	Men's Fashion	<b>Second Floor</b>	Kids and Lifestyle	<b>Third Floor</b>	PVR and Food court	<b>Fourth Floor</b>	Entertainment and F&B	<b>Fifth Floor</b>	Entertainment (Smaash)	<b>Sixth Floor</b>	Hotel (The Stories)	<b>Seventh Floor</b>	Fitness Centre (SS Royale Gym)	<b>Eight Floor</b>	Vacant	<b>Ninth Floor</b>	Night Club (Tokyo Eye)	
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<p><b>Total Area:</b></p>	<p>Total Land Area: ~2.5 Acres Total Leasable Area: 389,588 sq. ft.</p>																											

Source: Architect's Certificate (Dated: 8<sup>th</sup> May 2024), \*Rent Roll as at 31<sup>st</sup> March 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 31st March 2024, is as follows:

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 <sup>st</sup> March 2024	INR 2,530 Million	Indian Rupees Two Billion Five 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: Pavilion Mall, Civil Lines, Ludhiana, Punjab**

**Report Date: 10<sup>th</sup> May 2024**

**Valuation Date: 31<sup>st</sup> March 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 16 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**

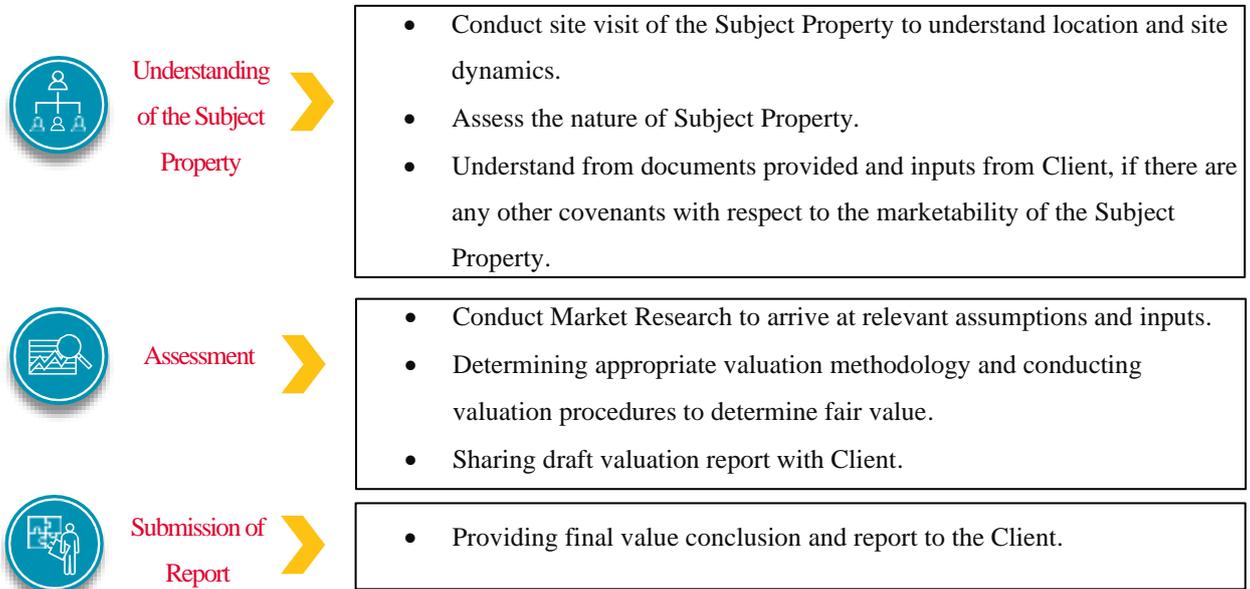
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations issued by the Securities and Exchange Board of India ("SEBI") or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to the Acquisition, including any preliminary or final international offering documents for distribution to investors outside India, and any publicity material, research reports, presentations or press releases, in connection with the Acquisition (collectively, the "Documents").

### **5 Basis of Valuation**

It is understood that the valuation is required by the Client of the Subject Property which is proposed to be acquired ("Proposed Acquisition") by Brookfield India REIT, in accordance with 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 and for accounting purposes. Accordingly, the valuation exercise has been carried out to estimate the "Market Value" of the Subject Property in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, 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. 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.



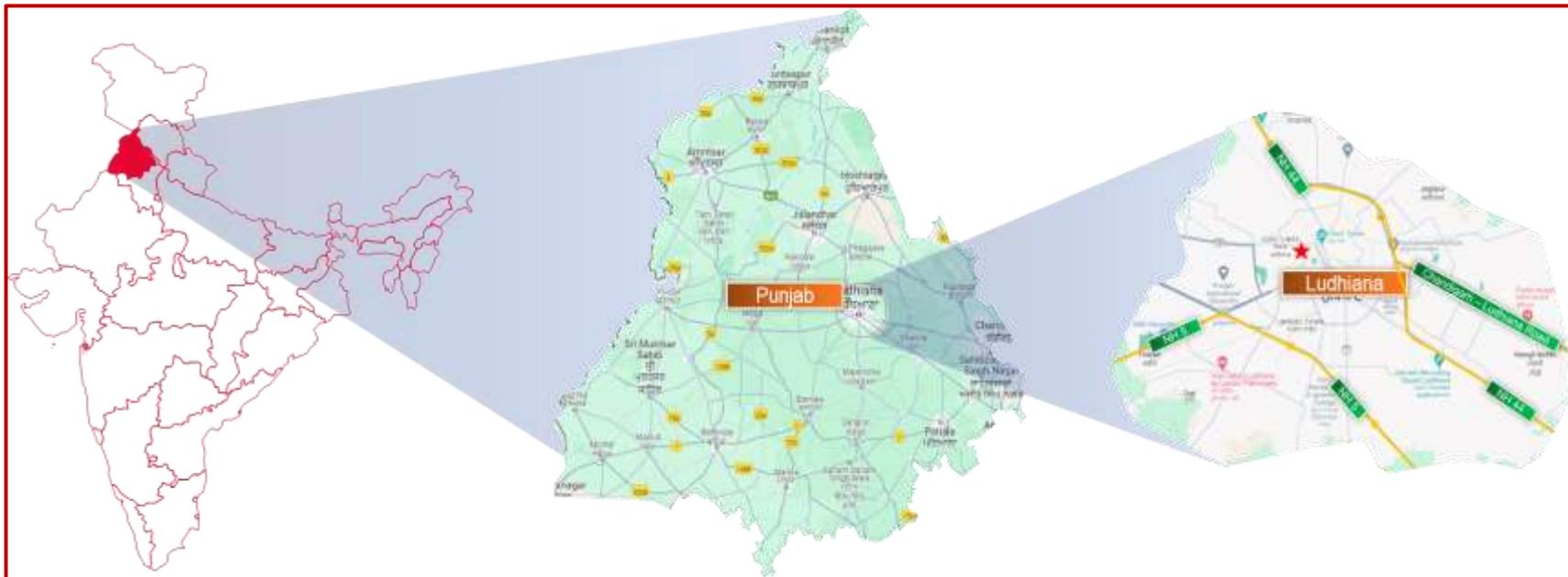
## **B LUDHIANA OVERVIEW**



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 out Industry and Market 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

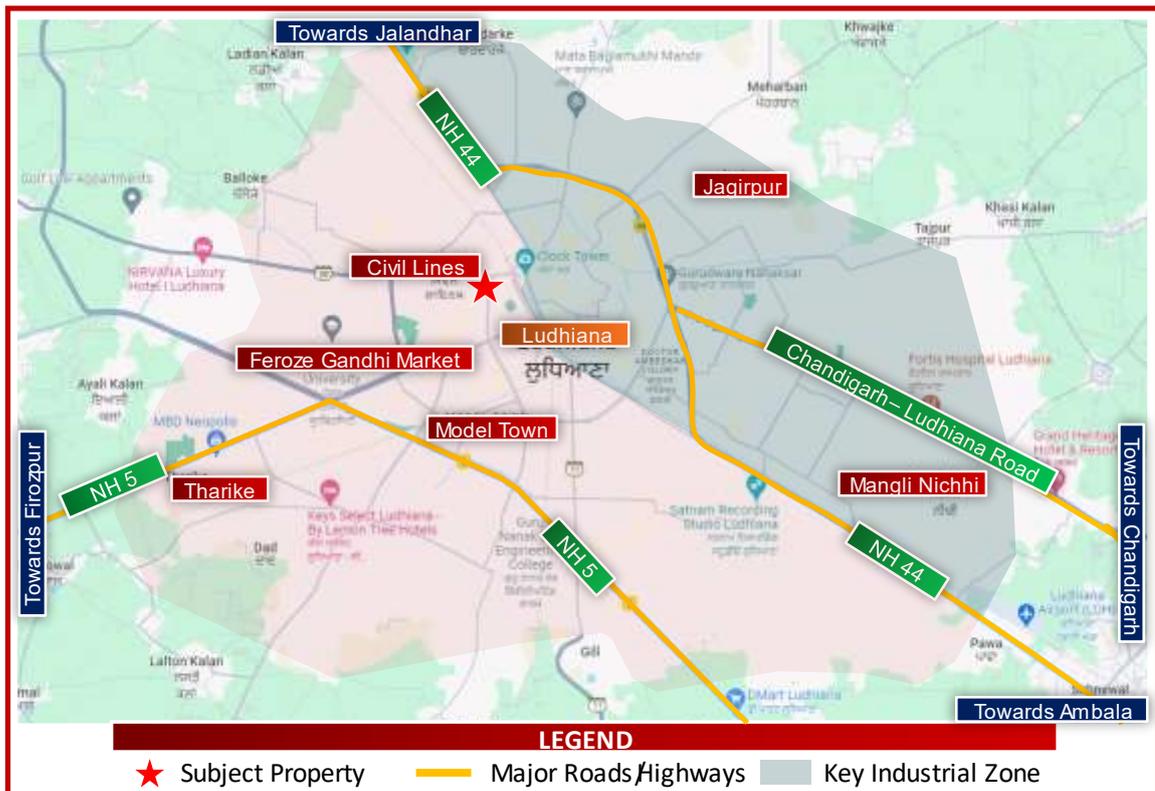
While textiles remained a dominant industry, Ludhiana diversified its industrial base over time. One significant area of diversification was the emergence of bicycle manufacturing with numerous factories producing bicycles and bicycle parts for both domestic and international markets. Additionally, Ludhiana 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.

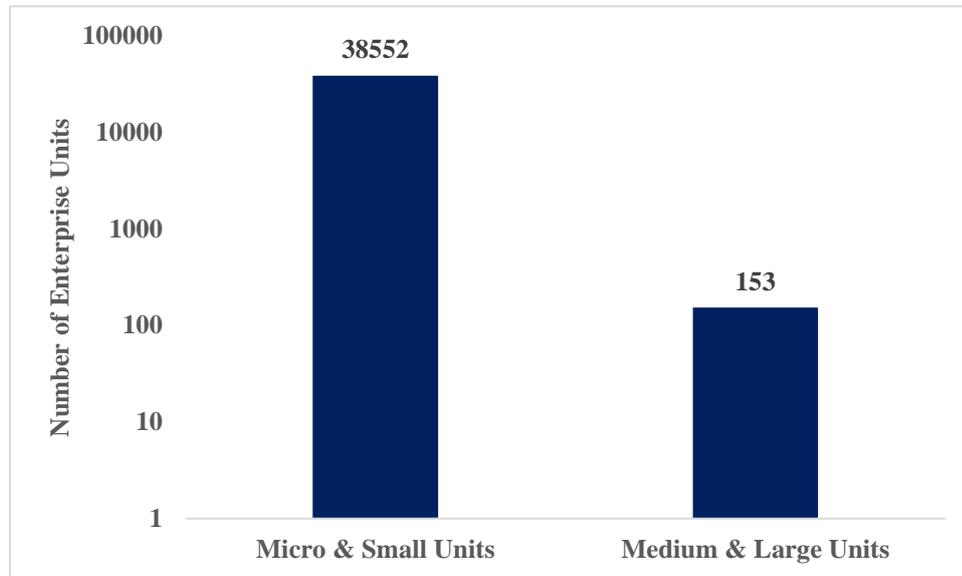
**ii) Innovation Hub:** The city fosters innovation in machinery production, with research and development playing a pivotal role in shaping the industry's future.

**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 of 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.

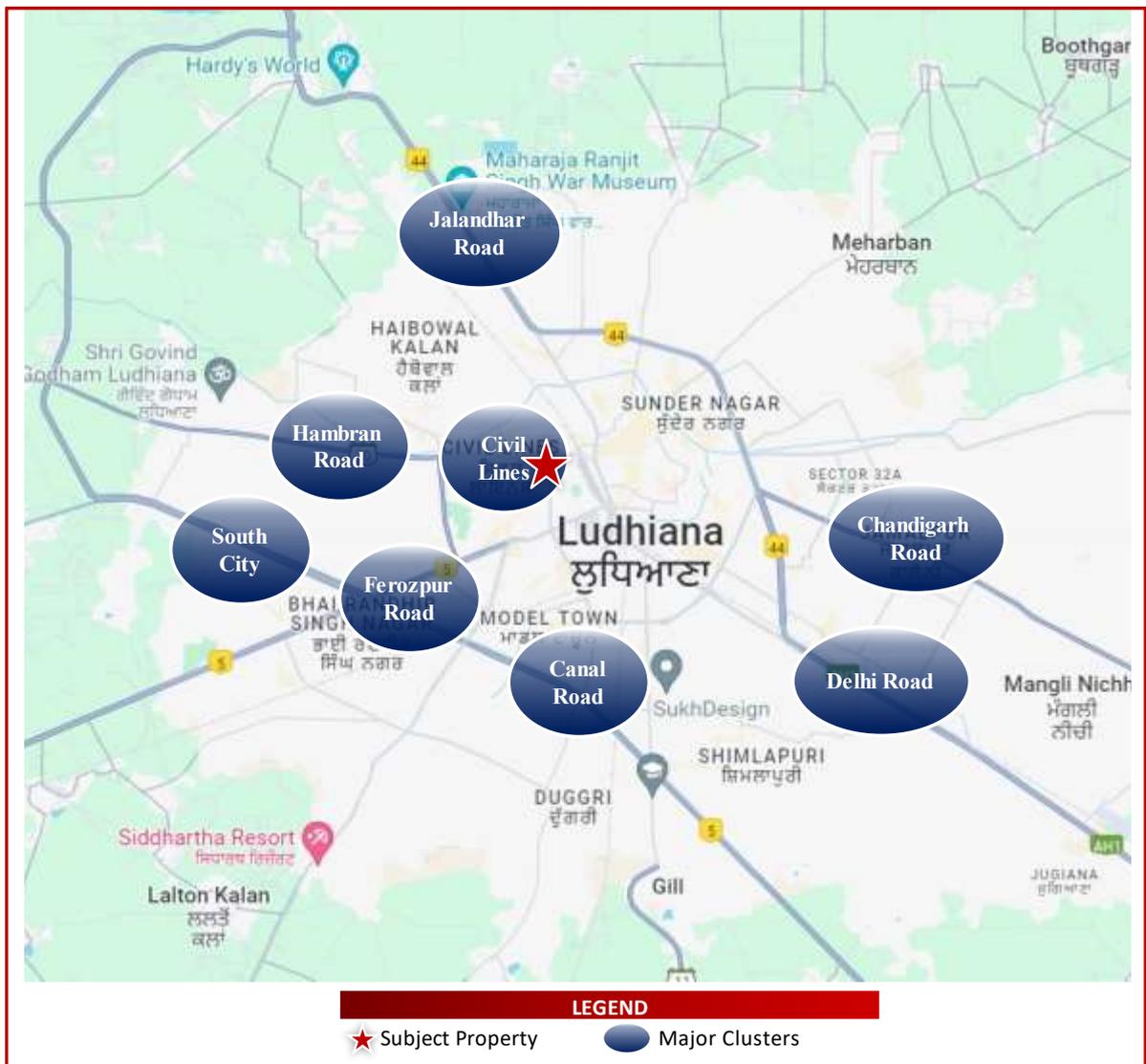
Religious sites, like Gurudwara Charan Kamal and Alamgir Sahib Gurudwara, have been important to the tourism of Ludhiana. Significant investments have been made in these sites, which attract thousands of pilgrims every year. Furthermore, the city's cultural dynamics, exemplified by its Punjabi folk music 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>Ferozpur 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. Ferozpur 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, most other malls of similar format are located on Ferozpur Road.



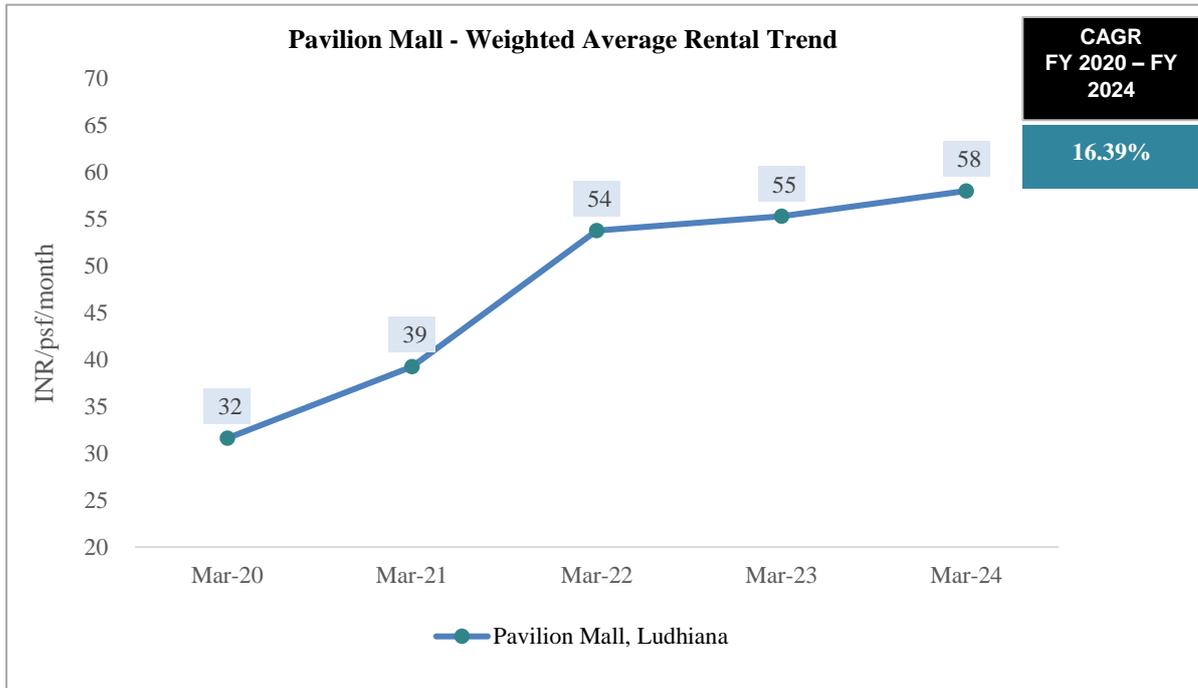
The detailed overview of the Subject Property comparative to Other Malls has been described below:

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>	~13%	~3% - 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>Age of Mall</b>	~10 Years	~13 Years	~17 Years	~8 Years	~12 Years	~5 Years
<b>Key Tenants</b>	Shoppers Stop, PVR Cinemas, Smaaash	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 trend since FY 2020. The weighted average rental trend of the Subject Property is given in the chart below:



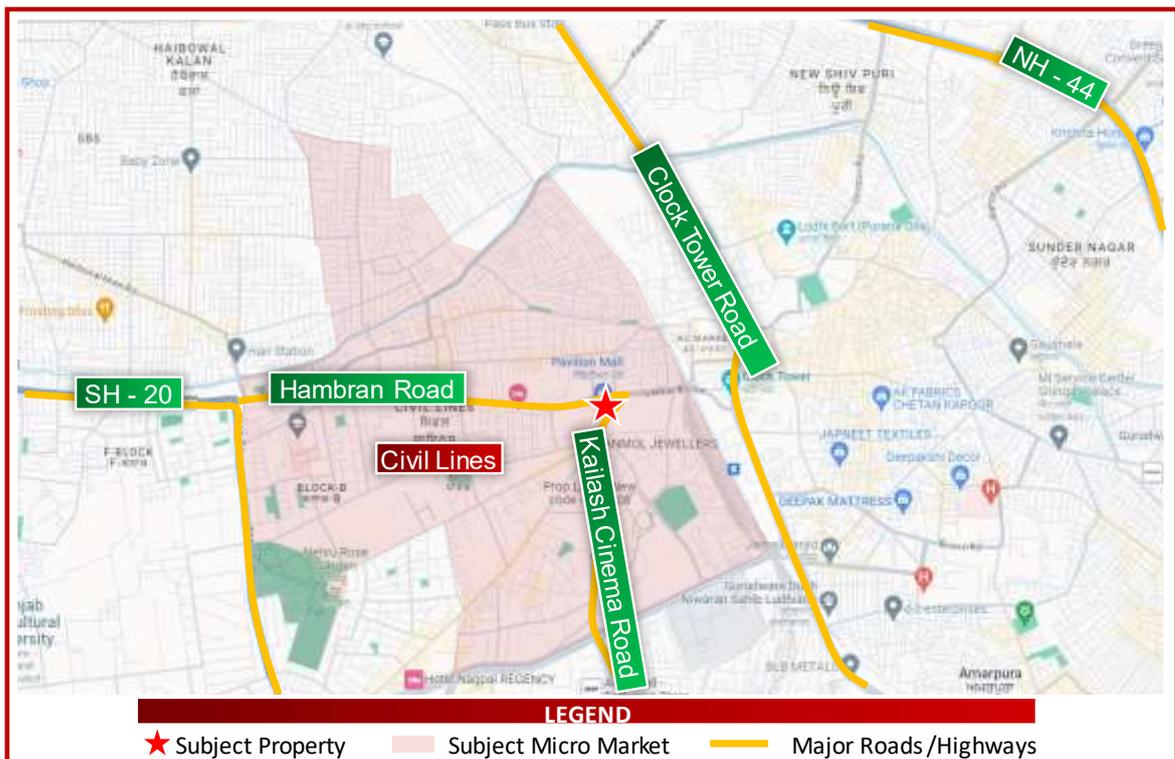
**Notes:**

1. Rentals for Pavilion Mall have been sourced from Brookprop Management Services Private Limited.
2. These rentals are as on Financial Year ending i.e., as of end of March. 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
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 a road (Ludhiana road), which is the main road, connecting Ludhiana to other cities of Punjab through NH5 (Ferozpur Road). Hambran 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 2.5 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%

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.

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. 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 Koncept
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	Vacant	-
Floor 9	12,705	Night Club	Tokyo Eye

*Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as at 31<sup>st</sup> March 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>Age of building based on the date of Occupancy Certificate:</b>	10 Years 1 month
<b>Asset Type:</b>	Commercial
<b>Sub-Market:</b>	Civil Lines, Ludhiana
<b>Approved and Existing Usage:</b>	Commercial
<b>Land Area (acres):</b>	~2.5
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	389,588 sq. ft.
<b>Occupied Area:</b>	339,583 sq. ft.
<b>Occupancy (%):</b>	87.16%
<b>Current Effective Rent (excluding parking):</b>	INR 58.03 per sq. ft per month
<b>Number of Tenants:</b>	96

Source: Architect's Certificate (8<sup>th</sup> May 2024), Rent Roll as at 31<sup>st</sup> March 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.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational building</li> <li>b. 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> The operational building with OC received admeasures 389,588 sq. ft. of leasable area. 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, Smaaash, Timezone, Marks and Spencer's and The Stories (Hotel).</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: 8<sup>th</sup> May 2024), \*Rent Roll as at 31<sup>st</sup> March 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 proposed to be 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: 8<sup>th</sup> May 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 31<sup>st</sup> March 2024, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~65% of leased area and ~51% 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	Smaash	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 Eye	8,418
10	Bikanerwala	5,625
<b>Total</b>		<b>220,283</b>

Source: Rent Roll as at 31<sup>st</sup> March 2024 and Client Information

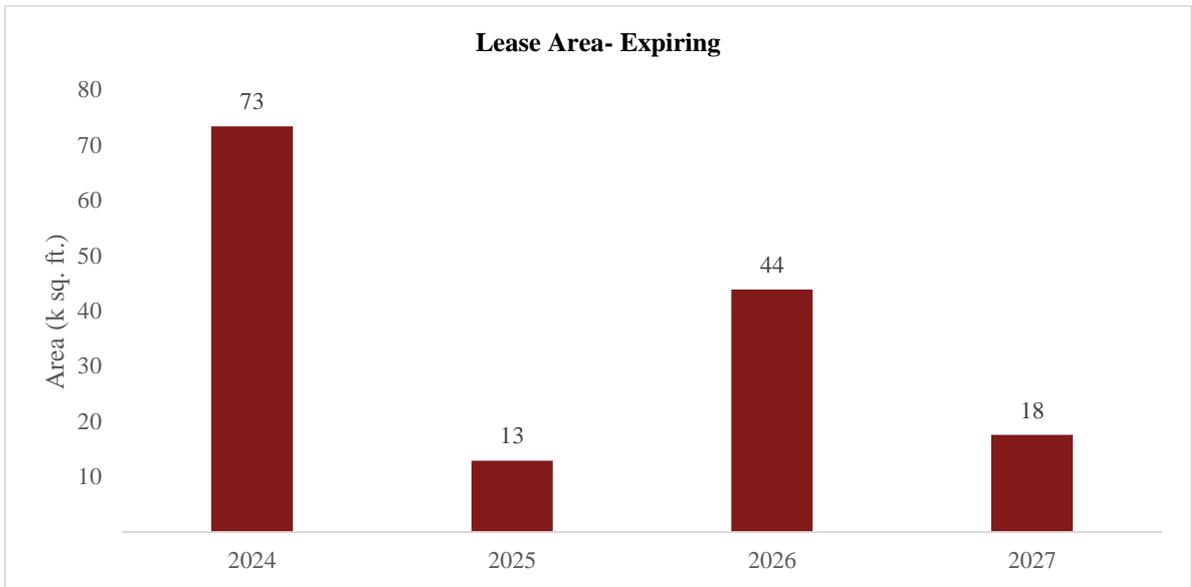
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Shoppers Stop	14%
2	PVR Cinemas	13%
3	Marks and Spencer's	5%
4	Smaash	5%
5	Timezone	4%
6	Van Heusen	2%
7	The Stories	2%
8	Madame	2%
9	Only	2%
10	Vero Moda	2%
<b>Total</b>		<b>51%</b>

Source: Rent Roll as at 31<sup>st</sup> March 2024 and Client Information



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 4.0 years, with ~44% of occupied area expiring between 2024 and 2027 as shown in the chart below.



Source: Rent Roll as at 31<sup>st</sup> March 2024 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2024 represents April 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 31<sup>st</sup> March 2024:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-24
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-34

### Subject Property Details:

Subject Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	389,588
Area Leased	Sq. ft.	339,583
Occupancy	%	87.2%
Vacant Area	Sq. ft.	50,005
Vacancy	%	12.8%
Stabilized Vacancy	%	7.5%
Further leasing	Sq. ft.	20,786
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: 8<sup>th</sup> May 2024), \*Rent Roll as at 31<sup>st</sup> March 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 ~0.02 msf within 3 quarters from July 2024 after incorporating a 7.5% 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 110.00
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 30.00
Market Rent - 1F- Vanilla	Per sq. ft. per month	INR 110.00
Market Rent - 2F- Vanilla	Per sq. ft. per month	INR 50.00
Market Rent - 3F- Anchor	Per sq. ft. per month	INR 30.00
Market Rent - 3F- Vanilla	Per sq. ft. per month	INR 40.00
Market Rent - 4F- Anchor	Per sq. ft. per month	INR 25.00
Market Rent - 4F- Vanilla	Per sq. ft. per month	INR 40.00
Market Rent – Upper Floors (5 <sup>th</sup> – 9 <sup>th</sup> ) - Anchor	Per sq. ft. per month	INR 25.00
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 22.96

- 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.
- 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'24 and the same has been projected to increase at 5% per annum from FY'25 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
Property Tax	Per sq. ft./month	INR 4.04
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Marketing expense	Per sq. ft./month	40.32
O&M Expense	Per sq. ft./month	22.38
Maintenance Capex	Per sq. ft./month	INR 2.1

Please note that there is a general development expenditure of INR 14 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'24 and the same has been projected to increase at 5% per annum from FY'25 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 Expenses are provided to us by the Client. These are escalated annually by 5%. O&M expense for FY'24 was provided by the Client and the same has been escalated from FY'25 onwards.
- **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, 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 31<sup>st</sup> March 2024, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Building	31 <sup>st</sup> March 2024	INR 2,530 Million	Indian Rupees Two Billion Five Hundred and Thirty 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

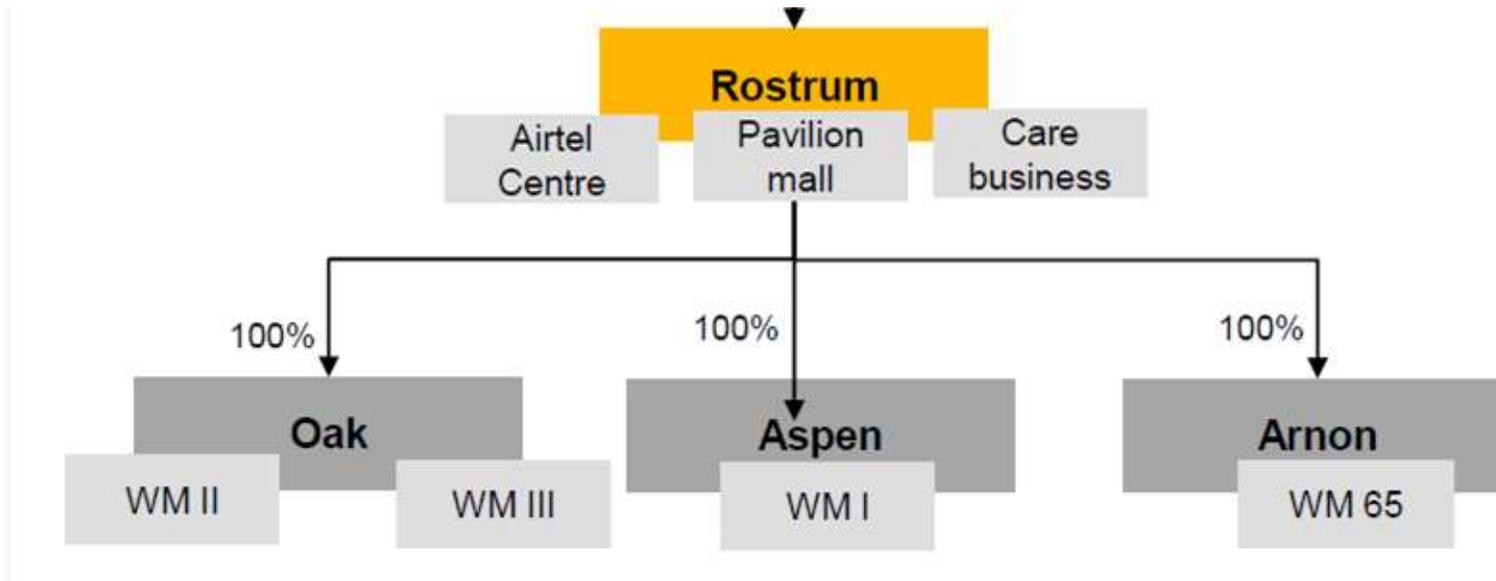
### Completed Buildings

Particulars	Unit	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33	Apr-34
		Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35
<b><u>OPERATING INCOME</u></b>												
Lease Rentals	INR Million	251	278	276	289	301	290	287	300	316	329	351
O&M Income	INR Million	79	89	94	98	100	111	122	128	134	144	151
Other Income	INR Million	7	7	8	8	9	9	10	10	10	11	12
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>338</b>	<b>375</b>	<b>378</b>	<b>395</b>	<b>410</b>	<b>410</b>	<b>419</b>	<b>438</b>	<b>460</b>	<b>483</b>	<b>513</b>
<b><u>OPERATING COSTS</u></b>												
O&M Costs For Vacant Areas	INR Million	(3)	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(20)	(21)	(22)	(23)	(24)	(25)	(27)	(28)	(29)	(31)	(32)
O&M Expense	INR Million	(99)	(107)	(112)	(118)	(123)	(130)	(136)	(143)	(150)	(158)	(165)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(121)</b>	<b>(127)</b>	<b>(134)</b>	<b>(141)</b>	<b>(148)</b>	<b>(155)</b>	<b>(163)</b>	<b>(171)</b>	<b>(179)</b>	<b>(188)</b>	<b>(198)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>216</b>	<b>248</b>	<b>244</b>	<b>255</b>	<b>262</b>	<b>255</b>	<b>256</b>	<b>267</b>	<b>281</b>	<b>295</b>	<b>316</b>
<b>Terminal Value</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	3,507	-
<b>Transaction Cost</b>	<b>INR Million</b>	-	-	-	-	-	-	-	-	-	(35)	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>216</b>	<b>248</b>	<b>244</b>	<b>255</b>	<b>262</b>	<b>255</b>	<b>256</b>	<b>267</b>	<b>281</b>	<b>3,767</b>	-
Marketing Expenses	INR Million	(5)	-	-	-	-	-	-	-	-	-	-
Maintenance Capex	INR Million	(10)	(11)	(11)	(12)	(13)	(13)	(14)	(15)	(15)	(16)	-
Brokerage Expenses	INR Million	(6)	(1)	(3)	(2)	(2)	(6)	(1)	(1)	(1)	(9)	-
Total construction costs	INR Million	(14)	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>180</b>	<b>236</b>	<b>229</b>	<b>240</b>	<b>248</b>	<b>236</b>	<b>242</b>	<b>252</b>	<b>265</b>	<b>3,743</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.

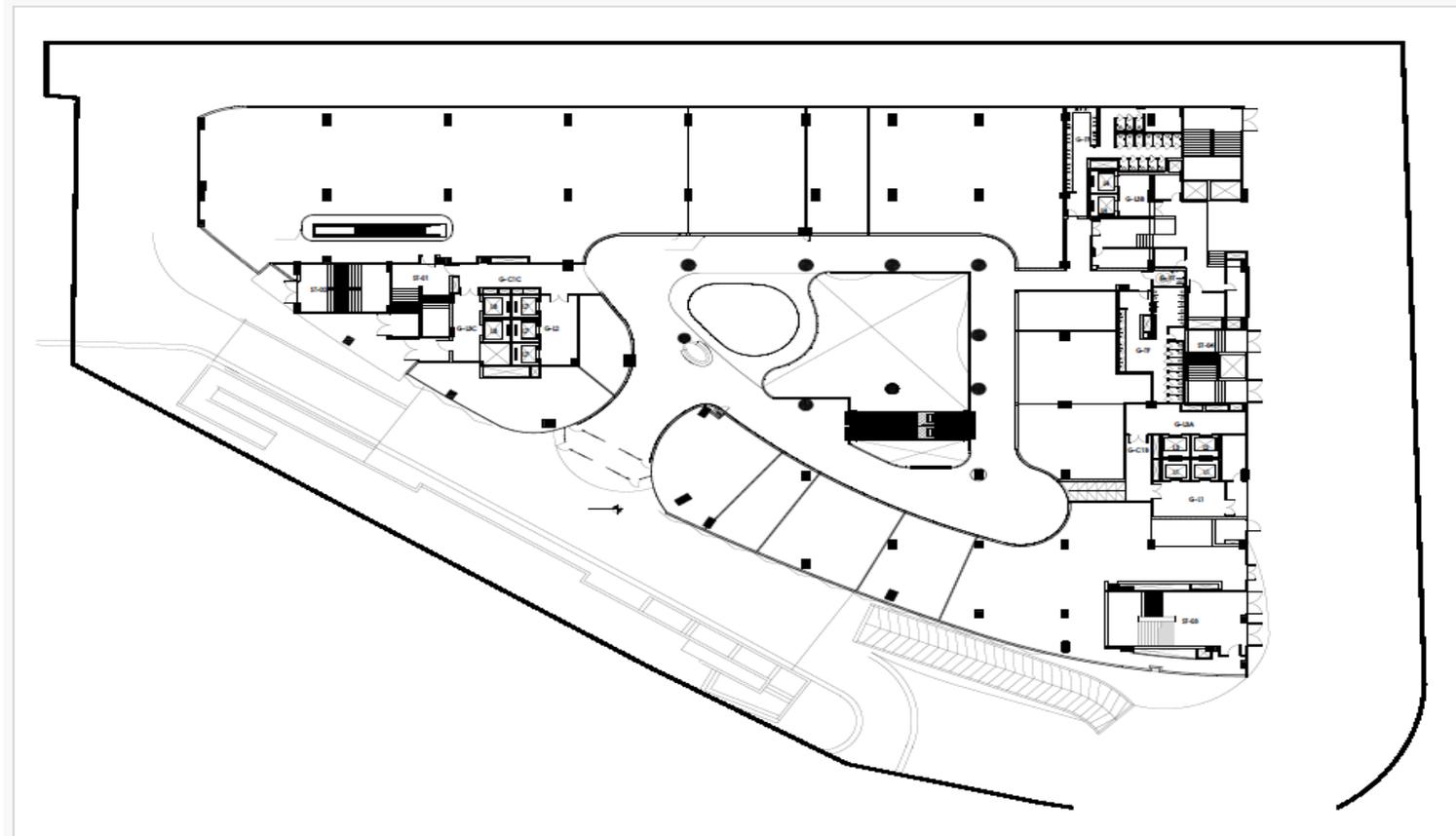


Annexure 2: Ownership Structure





Annexure 3: Site Layout



Source: As provided by Client

**Annexure 4: Subject Property Photographs**



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

ਸ਼ਹਿਰ ਦੇ ਭੇਦ ਦਾ ਟੇਬਲ (ਦਰ)

Sr	Village	Location Name (Ahead)	Location Name (Ahead)	Collector Rate 2023-24			New Proposer Rate 107 2023-24			Remarks
				Agriculture	Commercial	Industrial	Agriculture	Commercial	Industrial	
117	ਸ਼ਹਿਰੀ	Chhara Kutha Khairi Mal	ਚਰਾ ਕੂਠਾ ਖੈਰੀ ਮਲ	50000	20000	20000	50000	20000	20000	
118	ਸ਼ਹਿਰੀ	Chhara market	ਚਰਾ ਮੈਰਟ	20000	67000	40000	20000	67000	40000	
119	ਸ਼ਹਿਰੀ	Chhara market main road upto chhara mal	ਚਰਾ ਮੈਰਟ ਮੇਨ ਰੋਡ ਤਕ ਚਰਾ ਮਲ	50000	70000	50000	50000	70000	50000	
120	ਸ਼ਹਿਰੀ	Chhara Khudli	ਚਰਾ ਖੁਦਲੀ	140000	18000	17000	140000	18000	17000	
121	ਸ਼ਹਿਰੀ	Khud Khudli	ਖੁਦ ਖੁਦਲੀ	25000	30000	25000	25000	30000	25000	
122	ਸ਼ਹਿਰੀ	Khudhysa Bazar	ਖੁਦਯਸਾ ਬਾਜ਼ਰ	20000	67000	40000	20000	67000	40000	
123	ਸ਼ਹਿਰੀ	Sant Nagar	ਸੰਤ ਨਗਰ	28000	45000	30000	28000	45000	30000	
124	ਸ਼ਹਿਰੀ	Arjuna Nagar	ਅਰਜੁਨ ਨਗਰ	24000	45000	30000	24000	45000	30000	
125	ਸ਼ਹਿਰੀ	Harsha Nagar	ਹਰਿਸ਼ ਨਗਰ	30000	50000	40000	30000	50000	40000	
126	ਸ਼ਹਿਰੀ	Madani Nagar	ਮਦਾਨੀ ਨਗਰ	24000	45000	30000	24000	45000	30000	
127	ਸ਼ਹਿਰੀ	Mahara's Nagar	ਮਹਾਰਾਜ ਨਗਰ	24000	45000	30000	24000	45000	30000	
128	ਸ਼ਹਿਰੀ	Club Road	ਕਲਬ ਰੋਡ	40000	67000	40000	40000	67000	40000	
129	ਸ਼ਹਿਰੀ	Office Resistant	ਓਫਿਸ ਰਿਜ਼ਿਸਟੈਂਟ	150000	0	0	150000	0	0	
130	ਸ਼ਹਿਰੀ	Mail Road	ਮੇਲ ਰੋਡ	140000	140000	140000	140000	140000	140000	
131	ਸ਼ਹਿਰੀ	Nehru Nagar sikhana chhara market	ਨੇਹਰੂ ਨਗਰ ਸਿਖਾਨਾ ਚਰਾ ਮੈਰਟ	8000	20000	17000	8000	20000	17000	
132	ਸ਼ਹਿਰੀ	Wahi Khudli	ਵਾਹੀ ਖੁਦਲੀ	15000	25000	20000	15000	25000	20000	
133	ਸ਼ਹਿਰੀ	Yash Singh Nagar	ਯਸ਼ ਸਿੰਘ ਨਗਰ	8000	20000	17000	8000	20000	17000	
134	ਸ਼ਹਿਰੀ	Yash market to ganta ghar	ਯਸ਼ ਮੈਰਟ ਤੋਂ ਗੰਠਾ ਘਰ	70000	70000	50000	70000	70000	50000	
135	ਸ਼ਹਿਰੀ	Zang Road	ਜੰਗ ਰੋਡ	20000	50000	40000	20000	50000	40000	
136	ਸ਼ਹਿਰੀ	Zang market	ਜੰਗ ਮੈਰਟ	15000	30000	25000	15000	30000	25000	
137	ਸ਼ਹਿਰੀ	Zang Nagar	ਜੰਗ ਨਗਰ	30000	50000	40000	30000	50000	40000	
138	ਸ਼ਹਿਰੀ	Zang Road	ਜੰਗ ਰੋਡ	17000	14000	13000	17000	14000	13000	
139	ਸ਼ਹਿਰੀ	Zang market to ganta ghar	ਜੰਗ ਮੈਰਟ ਤੋਂ ਗੰਠਾ ਘਰ	8000	80000	40000	8000	80000	40000	
140	ਸ਼ਹਿਰੀ	Zang market (Chhara chhara)	ਜੰਗ ਮੈਰਟ (ਚਰਾ ਚਰਾ)	8000	20000	17000	8000	20000	17000	
141	ਸ਼ਹਿਰੀ	Zang market	ਜੰਗ ਮੈਰਟ	20000	30000	25000	20000	30000	25000	
142	ਸ਼ਹਿਰੀ	Zang market	ਜੰਗ ਮੈਰਟ	24000	40000	30000	24000	40000	30000	
143	ਸ਼ਹਿਰੀ	Zang market road to H back	ਜੰਗ ਮੈਰਟ ਰੋਡ ਤੋਂ H ਬੈਕ	7000	67000	40000	7000	67000	40000	
144	ਸ਼ਹਿਰੀ	Zang market road to H back	ਜੰਗ ਮੈਰਟ ਰੋਡ ਤੋਂ H ਬੈਕ	7000	10000	7000	7000	10000	7000	
145	ਸ਼ਹਿਰੀ	Zang market road	ਜੰਗ ਮੈਰਟ ਰੋਡ	20000	40000	30000	20000	40000	30000	

SUB REGISTRAR (LUDHIANA (East))

PAGE NO 5

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.



**Strictly Confidential  
For Addressee Only**

**Independent Property  
Consultant Report on the  
Valuation Methodology of  
Brookfield India Real Estate Trust  
("Brookfield India REIT")**

**Report for**

**Brookfield India Real Estate Trust  
("Brookfield India REIT")**

**Report Date**

**10<sup>th</sup> May 2024**



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**From:**  
**Cushman & Wakefield India Pvt. Ltd.**  
14th Floor, Building 8, Tower C,  
DLF Cyber City, Gurugram – 122002,  
Haryana, India

**To:** Brookfield India Real Estate Trust ("Brookfield India REIT")

**Properties:**

- 1. Aspen Buildtech Limited (Property "Worldmark Tower 1")
- 2. Oak Infrastructure Developers Limited (Property "Worldmark Tower 2 & 3")
- 3. Rostrum Realty Private Limited (Property "Bharti Airtel Centre")
- 4. Arnon Builders & Developers Limited (Property "Worldmark Gurugram")
- 5. Rostrum Realty Private Limited (Property "Pavilion Mall")

**Report Date:** 10<sup>th</sup> May 2024

**A REPORT**

**1 Instructions - Appointment**

Cushman & Wakefield India Pvt. Ltd. (C&WI) as an independent international property consultant has been instructed by Brookfield India Real Estate Trust ("Brookfield India REIT") (the 'Client', the 'Instructing Party') to perform an independent review (the "Engagement"), of the Stated Procedure ( as defined in section 5 below), used for the valuation of the properties (the "Properties") in connection with the proposed acquisitions by Brookfield India REIT and provide an independent report ("Report"). The Report is prepared in accordance with the scope and other understanding between the parties as set out in the LOE dated 16<sup>th</sup> April 2024. ("Agreement").

The Properties considered as part of this study are detailed in Part B of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 1 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

**2 Professional Competency of C&WI Valuation & Advisory Services India**

C&WI Valuation & Advisory Services India is an integral part of C&WI Global Valuation & Advisory Services team. The Global Valuation & Advisory team comprises of over 1,970+ professionals across approximately 150+ offices globally and India VAS team comprises of more than 100 professionals.

C&WI Valuation & Advisory Services India have completed over 15,519 valuation and advisory assignments across varied asset classes/ properties worth USD 588 billion.

We provide quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. We derive global best practices while maintaining the complexities of Indian real estate markets and are ideally



positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

In India, we have our presence since 1997. Our dedicated and experienced professionals provide quality services from 8 offices across India (Mumbai, Ahmedabad, Bengaluru, Chennai, Kolkata, Gurugram, Hyderabad and Pune). We have a strong team of experienced and qualified professionals dedicated to offer Valuation & Advisory services in various locations across the country. C&WI utilizes internationally accepted valuation techniques customized to Indian context based on best practices in the industry.

Our professionals have diverse backgrounds such as RICS, CAs, CFAs, MBAs, Architects, Planners, Engineers etc. We are preferred valuers for global and domestic banks, financial institutions, Asset Reconstruction Companies (ARC's), Private Equity Funds, Non-Banking Financial Company (NBFC) etc.

### **3 Disclosures**

C&WI has not been involved with the acquisition or disposal of any of the Properties being considered for the Engagement within the last twelve months. C&WI has no present or planned future interest in the Manager, Trustee, Brookfield India REIT, the Sponsors and Sponsor Group to Brookfield India REIT or the SPVs and the fee for this Report is not contingent upon the review contained herein. C&WI has also prepared the Industry Report which covers the overview of the commercial real estate markets, the drivers and trends in the relevant cities/micro-markets. Our review should not be construed as investment advice; specifically, we do not express /any opinion on the suitability or otherwise of entering any financial or other transaction with the Client or the SPVs.

C&WI shall keep all the information provided by Client confidential.

### **4 Purpose**

The purpose of the Engagement is to review the assumptions and methodologies as set out in Annexure 2 ("Stated Procedure") which have been used for disclosure of valuation of the properties, in connection with the proposed acquisition by Brookfield India REIT in accordance with 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. It is hereby clarified that we are not undertaking a valuation under the SEBI REIT Regulations, or any other enactment and the scope of work is expressly limited to what is stated herein.

With respect to the aforementioned disclosure of valuation of assets, to be formed as a part of portfolio of Brookfield India REIT, this independent report is intended to be filed with the Securities and Exchange Board of India ("SEBI"), stock exchanges, trustee or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to Brookfield India REIT.

### **5 Scope of Work**

C&WI has given its views in relation to the Stated Procedure and this Engagement should not be considered as an audit of a valuation or an independent valuation of the Properties. C&WI has not developed its own opinion of value but has reviewed the Stated Procedure in light of the framework contained in the RICS Valuation Global Standards 2022 ("Red Book") which is compliant with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

C&WI review is limited, by reference to the date of this report and to the facts and circumstances relevant to the Properties at the time, to review and assess, under the Red Book standards:



- whether the key assumptions as set out in the Stated Procedure are reasonable; and
- whether the methodology followed as set out in the Stated Procedure is appropriate

## **6 Approach & Methodology**

C&WI has prepared the industry report including overview of the commercial office / retail scenario for each of the markets/ sub-markets where Properties are present. C&WI has visited the Properties during the study. C&WI has been provided with the information such as rent rolls, sample agreement copies, approval plans and other information such as Valuation Methodology and key assumptions including achievable rental for the property, rental growth rate, construction timelines, Capitalisation rates, Discount rates etc. An extract of the Methodology and Key assumptions is provided in Annexure 2.

## **7 Authority (in accordance with the Agreement)**

Client acknowledges and agrees that C&WI's services hereunder (including, without limitation, the Draft Report, and the Final Report ("Deliverables") itself and the contents thereof) are being provided by C&WI solely to the client in relation to Brookfield India REIT. If the client desires to use the Deliverables or C&WI's name in any other offering other than as contemplated under the Agreement, then the client shall obtain C&WI's prior written approval for such usage. The client shall indemnify C&WI for any losses suffered by C&WI due to such usage other than as contemplated under the Agreement. Additionally, the client herewith consents to provide or cause to be provided, an indemnification agreement in C&WI's favour, reasonably satisfactory to C&WI to indemnify C&WI for any use of the Report other than for the purpose permitted under the Agreement. It is however clarified that the indemnity shall not cover any losses resulting from the use of the Report for statutory /other reporting for sharing with REIT investors/unitholders for Brookfield India REIT.

## **8 Third Party Claim Indemnity (in accordance with the Agreement)**

The Report issued shall be used by the client in relation to the purpose stated previously. In the event the client,(i) uses the Report not in accordance with the terms of the Agreement / as per purpose permitted under the Agreement or (ii) permits reliance thereon by, any person or entity as not authorized by C&WI in writing to use or rely thereon, the client hereby agrees to indemnify and hold C&WI, its affiliates and their respective shareholders, directors, officers and employees (collectively the "Representatives") harmless from and against all damages, expenses, claims and costs, including reasonable attorneys' fees, incurred in investigating and defending any claim, arising from or in any way connected to the use of , or reliance upon, the Report. Notwithstanding the forgoing, the client shall not be liable under this clause if such damages, expenses, claims, and costs incurred as a result of C&WI's or any of its affiliates' or any of their respective Representatives' gross negligence, fraud, wilful misconduct, or breach of their confidentiality obligations under the Agreement. C&WI disclaims any and all liability to any party other than the client.

## **9 Limitation of Liability (in accordance with the Agreement)**

C&WI endeavours 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 Agreement, C&WI'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 be limited to an aggregate sum not exceeding the total fees paid to C&WI by client hereunder.



In the event that C&WI is subject to any claims in connection with, arising out of or attributable to in any legal proceedings in all such cases, the client agrees to reimburse/ refund to C&WI, the actual cost (which shall include legal fees and external counsel's fee) incurred by C&WI while becoming a necessary party/respondent.

#### **10 Disclaimer**

C&WI will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

#### **11 Disclosure and Publications**

You must not disclose the contents of this 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.



## B REVIEW FINDINGS

Our exercise has been to review the Stated Procedure, which has been used, for conducting valuation of Properties in connection with disclosure of valuation of assets, to be formed as a part of portfolio of Brookfield India REIT, in accordance with 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, in accordance with the IVSC International Valuation Standards issued in 2021 and effective from 31 January 2022.

The approach adopted by C&WI would be to review the Stated Procedure, which would have a significant impact on the value of Properties, such as:

- Achievable Rental for the property
- Rental Growth Rate
- Construction Timelines
- Capitalisation Rate
- Discount Rate
- Occupancy Projections

C&WI has:

- Independently reviewed the key assumptions as set out in the Stated Procedure and is of the opinion that they are reasonable.
- Independently reviewed the approach and methodology followed and analysis as set out in the Stated Procedure, to determine that it is in line with the guidelines followed by RICS and hence is appropriate.

C&WI finds the assumptions, departures, disclosures, limiting conditions as set out in the Stated Procedure, relevant and broadly on lines similar to RICS guidelines. No other extraordinary assumptions are required for this review.

The commercial real estate sector has shown significant improvement in last 2 years. Factors resulting in increase in the office / retail demand includes a broad-based participation by large and small occupiers, continued entry of new GCCs into India, increased hiring by IT-BPM firms and start-ups, more employees returning to office.

We observe that the assumptions noted in Annexure 2, reflect these factors.

Below is the summary of the portfolio of the Properties as of 31<sup>st</sup> March 2024 which are spread across Gurugram, Ludhiana and Delhi that has been reviewed:

To be Formed as a Part of REIT Portfolio			
Sr No	Location	Asset	Completed (In Msf)
1	DIAL or Airport District	Worldmark Aerocity Tower 1	0.61
2	DIAL or Airport District	Worldmark Tower 2 & 3	0.85
3	Sector 18, Gurugram	Bharti Airtel Centre	0.69
4	Sector 65, Gurugram	Worldmark Gurugram	0.75
5	Civil Line, Ludhiana	Pavilion Mall	0.39
<b>Total</b>			<b>3.29</b>

Based on Certificate Dated 8<sup>th</sup> May 2024.



**Below is the Property wise analysis:**

- **Worldmark Tower 1:** C&WI view of the achievable market rent (including parking) for the asset would be in the range of INR 202 - 206 per sq. ft. per month for office and INR 178 - 182 per sq. ft. per month for retail. This is keeping in mind the latest transactions within the property and competing office / retail developments in the vicinity. C&WI considers the discount rate appropriate in line with the market.
- **Worldmark Tower 2 & 3:** C&WI view of the achievable market rent (including parking) for the asset would be in the range of INR 202 - 206 per sq. ft. per month for office, INR 178 - 182 per sq. ft. per month for retail and rental range of 348 – 352 for Atelier office space. This is keeping in mind the latest transactions within the property and competing office / retail developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Bharti Airtel Centre:** C&WI view of the achievable market rent (including parking) for the asset would be in the range of INR 116 -120 per sq. ft. per month. This is keeping in mind the latest transactions within the property and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Worldmark Gurugram:** C&WI view of the achievable market rent (including parking) for the asset would be in the range of INR 75-79 per sq. ft. per month for office and INR 113-117 per sq. ft. per month for retail. This is keeping in mind the latest transactions within the property and competing office / retail developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Pavilion mall:** C&WI view of the achievable market rent for the asset based on floor wise and category wise market rental approach, for more details kindly refer key assumption table on page 17. This is keeping in mind the latest transactions within the mall and competing retail developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.

Considering the above-mentioned points, C&WI considers the market assumptions and the approach to valuation for the above Properties to be reasonable and in line with international valuation standards (RICS).



Signed for and on Behalf of Cushman & Wakefield India Pvt. Ltd

**Somy Thomas, MRICS**  
Managing Director,  
Valuation and Advisory Services



**Shailaja Balachandran, MRICS**  
Executive Director,  
Valuation and Advisory Services

**Sakshi Sikri, MRICS**  
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**Ailush Saraswat,**  
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Valuation and Advisory Services

**Chetan Arora,**  
Manager,  
Valuation and Advisory Services

**Eeshan Arora,**  
Associate,  
Valuation and Advisory Services

**Ashley Aruja,**  
Associate,  
Valuation and Advisory Services



## Annexure 1: Instructions (Caveats & Limitations)

1. The Independent Property Consultant Report is not based on comprehensive market research of the overall market for all possible situations. C&WI has covered specific markets and situations, which are highlighted in the Report.

The scope comprises of reviewing the assumptions and methodology in the Stated Procedure, for valuation of the Properties. C&WI did not carry out comprehensive field research-based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI has relied on the information supplied to C&WI by the Client.

2. In conducting this assignment, C&WI has carried out analysis and assessments of the level of interest envisaged for the Property(ies) under consideration and the demand-supply for the commercial sector in general. The opinions expressed in the Report will be subject to the limitations expressed below.
  - a. C&WI has endeavoured to develop forecasts on demand, supply and pricing on assumptions that would be considered relevant and reasonable at that point of time. All of these forecasts are in the nature of likely or possible events/occurrences and the Report will not constitute a recommendation to Brookprop Management Services Private Limited, Brookfield India Real Estate Trust, Manager 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 basis on which forecasts have been generated and is not recommended as an input to a financial decision.
  - b. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
  - c. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI has relied upon secondary sources of information for a macro-level analysis. Hence, no direct link is to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
  - d. The services provided is limited to review of assumptions and valuation approach and other specific opinions given by C&WI in this Report and does not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI does not express any opinion 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.
  - e. While the information included in the Report is believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
  - f. In the preparation of the Report, C&WI has relied on the following information:
    - i. Information provided to C&WI by the Client and subsidiaries and third parties;
    - ii. Recent data on the industry segments and market projections;
    - iii. Other relevant information provided to C&WI by the Client and subsidiaries at C&WI's request;
    - iv. Other relevant information available to C&WI; and
    - v. Other publicly available information and reports.



3. The Report is reflecting matters as they currently exist. Changes may materially affect the information contained in the Report.
4. In the course of the analysis, C&WI has relied on information or opinions, both written and verbal, as currently obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical 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. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.



## Annexure 2: Extract of Methodology & Key Assumptions for the Valuation of Properties

**Note:** The Properties has been referred to as “Subject Properties” by the valuer. Similar representation has been followed in this section.

### **Valuation Approach and Methodology**

- **PURPOSE OF VALUATION**

The purpose of this valuation exercise is to estimate the value of the Subject Properties as part of the portfolio of Brookfield India REIT, for reporting purposes under the SEBI (Real Estate Investment Trust) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder and also disclosure requirement of fair valuation of investment properties as per (Ind AS) 40.

- **VALUATION GUIDELINE AND DEFINITION**

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

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

- **VALUATION APPROACH**

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/ Retail 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 Properties, Income Approach – Discounted Cash Flow Method using Rental Reversion has been adopted.*

- **Valuation Methodology**

In order to compute the Market Value of the Subject Property the following understanding /assessment is required:

- a. Micro Market Assessment where the Subject Property is located.
- b. Portfolio Assessment (existing and future supply, demand from occupiers, average office / retail space take up by an occupier in a particular sector, existing vacancy and the rentals)
- c. Situation of the Subject Property (current achievable rentals, vacancy numbers, competing supply in the micro market etc.) with respect to the micro market.



The details are elaborated below:

**Market Assessment:**

The Client appointed Cushman & Wakefield (C&WI) to prepare an independent industry and market research report, which has been relied upon to develop the understanding and assess the relevant micro-markets of the Subject Property. The said review, was carried out in the following manner:

- Details study of the market dynamics influencing the rents along with Subject Property rents.
- Assessment of the location setting of the Subject Property in the respective micro-markets.
- Ascertain the transaction activity of office and retail space based on the findings of the industry/market report prepared by C&WI and readily available information in public domain.
- Review of comparable properties in terms of potential competition (both completed and under-construction/future developments), comparable recent lease transactions witnessed in the micro-market along with the trends in leasing within the Subject Property in recent past, wherever available.

The above analysis support to form an opinion on the applicable rental for the micro-market where the respective Subject Property are located (market rent) and on achievable rent for the respective Subject Property for leasing vacant spaces, as well as upon re-leasing of the existing let out area.

**Portfolio & Rental Assessment:**

- Property Documents and architect certificates were reviewed for validation of area details, ownership interests of the Subject Property.
- Physical site inspections were conducted to assess the current status of the Subject Property.
- The rent rolls along with corresponding leases deeds (on a reasonable sample basis) were reviewed to identify tenancy characteristics for the Subject Property.

**Preparation of Future Cash Flows:**

- Computing the monthly rental income projected and translating the same to a quarterly cash flow.
- The operational expenses of the respective properties are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable nature expenses and accordingly estimate the margins on the common area maintenance income, which accrues as cash inflows to the Subject Property and normalised for the purpose of cash flow projections.
- The projected future cash flows from the Subject Property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Property.
- The cash flows for the operational, under construction and future development area have been projected separately for the purpose of estimating and reporting valuation in accordance with the SEBI (REIT) Regulations
- For vacant area, under-construction area and future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area.
- Recurring operational expenses, fit-out income (wherever applicable, however, the same has not been included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provision have been adopted in-line with prevalent market practices and conditions.



- 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.

These cash flows have been projected for 10-year duration from the date of valuation wherein 11th year Net operating income (NOI) is capitalized for the assessment of terminal value. These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate to arrive at the Market Value of the Subject Property.

For Subject Property those are short term 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 to arrive at the Market Value of the Subject Property.



## Key Assumptions

### REIT Portfolio

#### 1. Worldmark Tower 1

Particulars	Units	
<b>Property details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.61
Committed Occupancy	%	98.21%
<b>Key Assumptions</b>		
Achievable Market Rental per month (Office)	INR per sq. ft.	200
Achievable Market Rental per month (Retail)	INR per sq. ft.	180
Rental growth rate	(for Q3 & Q4 FY'25) %	2.50%
	(from FY'26 onwards) %	5.00%
Normal Market lease tenure	Years	9
Construction start date	Date	NA
Construction end date	Date	NA
Capitalization Rate	%	NA
WACC	%	11.75%

*Note – all other assumptions have been reviewed and are in line with the market.*

*NA - Not Applicable*

#### 2. Worldmark Tower 2 & 3

Particulars	Units	
<b>Property details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.85
Committed Occupancy	%	84.22%
<b>Key Assumptions</b>		
Achievable Market Rental per month (Office)	INR per sq. ft.	200
Achievable Market Rental per month (Retail)	INR per sq. ft.	180
Achievable Market Rental per month (Atelier)	INR per sq. ft.	350
Rental growth rate	(for Q3 & Q4 FY'25) %	2.50%
	(from FY'26 onwards) %	5.00%
Normal Market lease tenure	Years	9
Construction start date	Date	NA
Construction end date	Date	NA
Capitalization Rate	%	NA
WACC	%	11.75%

*Note – all other assumptions have been reviewed and are in line with the market.*

*NA - Not Applicable*



### 3. Bharti Airtel Centre

Particulars	Units	Completed
<b>Property details</b>		
Type of property		Completed
Leasable area	Msf	0.69
Committed Occupancy	%	100%
<b>Key Assumptions</b>		
Achievable Market Rental per month	INR per sq. ft.	115
Rental growth rate (from FY'26 onwards)	%	5.00%
Normal Market lease tenure	Years	9
Construction start date	Date	NA
Construction end date	Date	NA
Capitalization Rate	%	8.00%
WACC	%	11.75%

Note – all other assumptions have been reviewed and are in line with the market.  
NA - Not Applicable

### 4. Worldmark Gurugram

Particulars	Units	Completed
<b>Property details</b>		
Type of property		Completed
Leasable area	Msf	0.75
Committed Occupancy	%	86.33%
<b>Key Assumptions</b>		
Achievable Market Rental per month (Office)	INR per sq. ft.	76.50
Achievable Market Rental per month (Retail)	INR per sq. ft.	115
Rental growth rate (from FY'26 onwards)	%	5.00%
Normal Market lease tenure	Years	9
Construction start date	Date	NA
Construction end date	Date	NA
Capitalization Rate	%	8.00%
WACC	%	11.75%

Note – all other assumptions have been reviewed and are in line with the market.  
NA - Not Applicable



## 5. Pavilion Mall

Particulars	Units	
<b>Property details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.39
Committed Occupancy	%	87.16%
<b>Key Assumptions</b>		
Achievable Market Rental per month (Atrium and LGF - Anchor)	INR per sq. ft.	50
Achievable Market Rental per month (Atrium and LGF - Vanilla)	INR per sq. ft.	110
Achievable Market Rental per month (GF and UGF - Anchor)	INR per sq. ft.	50
Achievable Market Rental per month (GF and UGF - Vanilla)	INR per sq. ft.	130
Achievable Market Rental per month (1F- Anchor)	INR per sq. ft.	30
Achievable Market Rental per month (1F- Vanilla)	INR per sq. ft.	110
Achievable Market Rental per month (2F- Vanilla)	INR per sq. ft.	50
Achievable Market Rental per month (3F- Anchor)	INR per sq. ft.	30
Achievable Market Rental per month (3F- Vanilla)	INR per sq. ft.	40
Achievable Market Rental per month (4F- Anchor)	INR per sq. ft.	25
Achievable Market Rental per month (4F- Vanilla)	INR per sq. ft.	40
Achievable Market Rental per month (Upper Floors (5th – 9th) - Anchor)	INR per sq. ft.	25
Rental growth rate (from FY'26 onwards)	%	5.00%
Normal Market lease tenure	Years	9
Construction start date	Date	NA
Construction end date	Date	NA
Capitalization Rate	%	9.00%
WACC	%	11.75%

*Note – all other assumptions have been reviewed and are in line with the market.*

*NA - Not Applicable, LGF – Lower Ground Floor, UGF – Upper Ground Floor, GF – Ground Floor, F - Floor*