

# **VALUATION REPORT**

**Candor Techspace G1, Sector 48, Gurugram, NCR**

Date of Valuation: 31<sup>st</sup> March 2023

Date of Report: 16<sup>th</sup> May 2023

**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 23rd December 2022 without the prior written consent of the Valuer.*

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

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

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

**Executive Summary**

<b>Candor Techspace IT/ITeS SEZ (G1), Sector - 48, Gurugram, NCR</b>	
<b>Valuation Date:</b>	31 <sup>st</sup> March 2023
<b>Site Visit Date:</b>	29 <sup>th</sup> March 2023
<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>Candor TechSpace G1 (herein after referred to as G1 and/ or Subject Property) is located on Village Tikri, Sector - 48, Sohna Road, Gurugram, Haryana - 122018, one of the prime office destinations of Gurugram.</p> <p>The Subject Property is accessible via Netaji Subash Marg (60-meter-wide road), which connects it to HUDA City Centre Metro Station on West and to National Highway 8 on East.</p> <p>The Subject Property lies in close proximity to various office assets such as Spaze Group, Bestech Group, Vatika Group etc.</p> <p>The profile of surrounding development for the Subject Property constitutes developed residential and commercial developments. It is well connected with other parts of the city through road network.</p>
<b>Description:</b>	<p>G1 constitutes 12 completed buildings (with OC received) and 1 future development building. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Buildings (12) Amenity Blocks - 1 &amp; 2.</li> <li>Future development (1) : Building name is Not Available (NA)</li> </ul> <p>The Completed buildings collectively admeasure 3,694,482 sq. ft.# of leasable area. Currently the committed occupancy in the Completed buildings is 75.43% *.</p> <p>The Future Development has a leasable area of 103,884 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. The same is expected to be ready by Q4 FY 2025-26.</p>
<b>MIOP Description:</b>	<p>Note- As per the information provided to us by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management, operations of Candor Techspace G1 and administration of the Company’s functions for a period of 30 years. As per the understanding between MIOP and Candor Techspace G1, the cashflows of the real estate operating services will be part of MIOP till 30 years, post which, the cashflows of the services will accrue to Candor Techspace G1 the same would be included while calculating the market value of G1. The above indicative range is based upon our assessment of the market dynamics likely to be prevailing in 2025.</p>



View 1 of Subject Property



View 2 of Subject Property



View 3 of Subject Property



View 4 of Subject Property



<b>Total Area:</b>	Total Land Area: 25.187 Acres Completed Leasable Area: 3,694,482 sq. ft. Future Development Leasable Area: 103,884 sq. ft. Total Leasable Area: 3,798,366 sq. ft.	
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Source: Architect's Certificate (Dated: 05<sup>th</sup> May 2023), \*Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client information.

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

# The increase in leasable area is due to change in efficiency.



### MARKET VALUE OF THE SUBJECT PROPERTY BASED ON

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which she has no knowledge, the opinion of value of the aforementioned Subject Property (Completed and Future Development) comprising land and improvements thereon and the right to provide facility management services to the entire Subject Property, as on 31st March 2023, is as follows:

Component	Market Value as on	In Figures	In Words
Completed Buildings	31 March 2023	INR 49,401 Million	Indian Rupees Forty-Nine Billion Four Hundred and One Million Only
Future Development	31 March 2023	INR 548 Million	Indian Rupees Five Hundred and Forty-Eight Million Only

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

### POTENTIAL ACHIEVABLE PRICE ESTIMATION OF MIOP FOR 31ST MARCH 2025 BASED ON 28 YEARS CASHFLOW

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 potential achievable price of MIOP in the year 2025 is likely to be in the range of **INR 1,486 Million for completed buildings and INR 67 Million for Future development.**

(The above indicative is based upon our assessment of the market dynamics likely to be prevailing in 2025. It may be noted that the Brookfield REIT entity has the option to buy the MIOP entity after 31<sup>st</sup> March 2025. Hence, the potential achievable price for March 2025 is stated above.

*Note- As per the information provided to us by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management, operations of Candor Techspace G1 and administration of the Company's functions for a period of 30 years. As per the understanding between MIOP and Candor Techspace G1, the cashflows of the real estate operating services will be part of MIOP till 30 years, post which, the cashflows of the services will accrue to Candor Techspace G1 the same would be included while calculating the market value of G1. The above indicative range is based upon our assessment of the market dynamics likely to be prevailing in 2025.*



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

**To: Brookfield India Real Estate Trust**

**Property: Candor Techspace G1, Sector - 48, Gurugram, NCR**

**Report Date: 16<sup>th</sup> May 2023**

**Valuation Date: 31<sup>st</sup> March 2023**

## **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 “Candor Techspace G1”) 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**

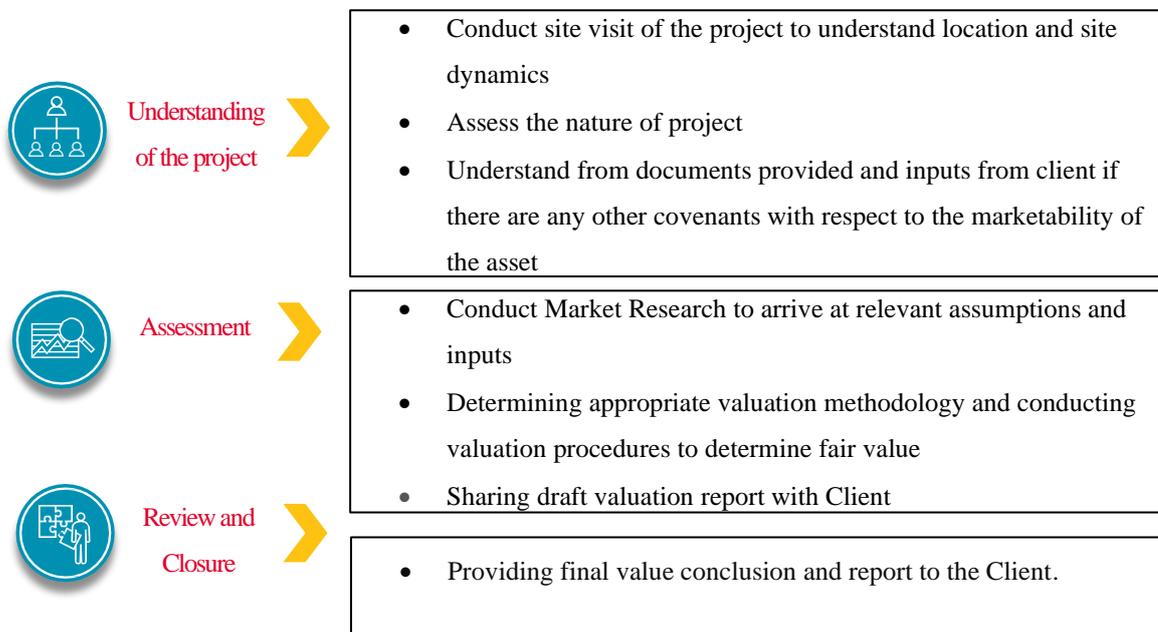
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole or any extracts thereof, in any documents prepared in relation to proposed property(ies) acquisition by "REIT" (and such offering the "Acquisition") including the transaction document required under regulations 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 29<sup>th</sup> March 2023 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**

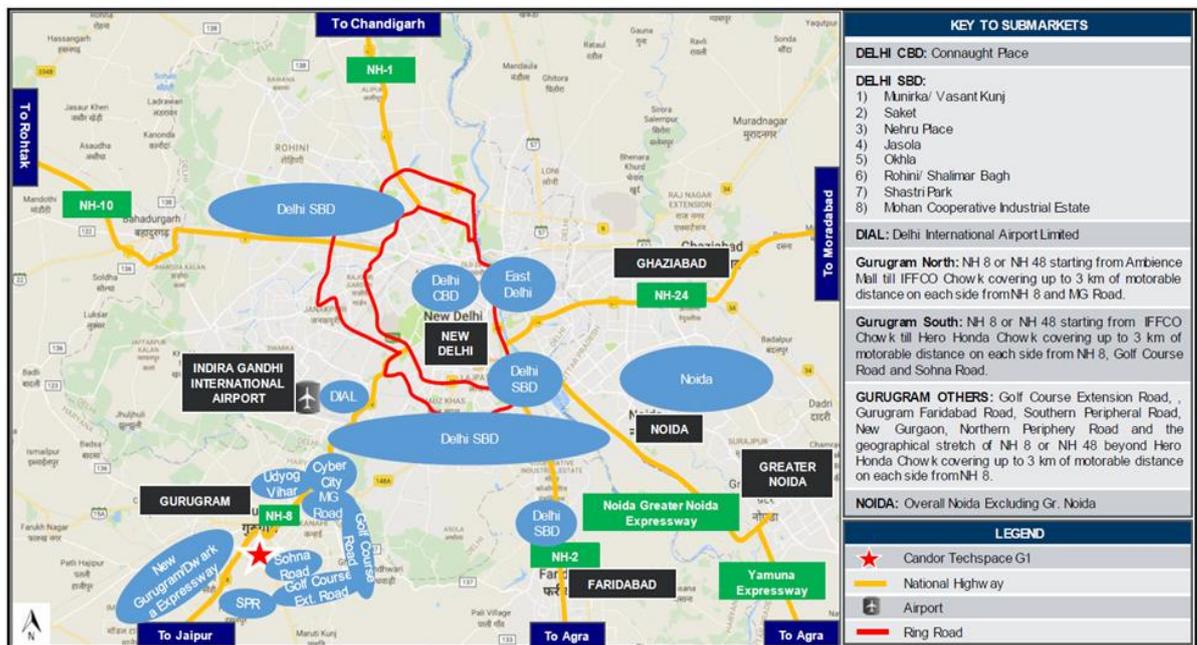
For the purpose of the valuation exercise, reliance has been made on the market report prepared by Cushman and Wakefield India Private Limited (C&WI), who has been appointed by the Client as an independent consultant to carry out industry and market report.

## 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 decade and half, urbanization in Delhi has spread rapidly towards adjoining towns in the neighbouring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

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

*Source: Cushman and Wakefield Research*



(Map not to scale)

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

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



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

Particulars	NCR overall	Delhi	DIAL	Gurugram*	Noida	^Gurugram South
<b>Total Completed Stock till Q1 2023 (msf)</b>	88.09	3.29	1.37	61.01	22.43	16.23
<b>Current Occupied Stock till Q1 2023 (msf)</b>	67.88	2.43	1.23	48.08	16.15	12.90
<b>Current Vacancy Q1 2023 (%)</b>	22.94%	26.04%	10.03%	21.19%	28.01%	20.48%
<b>Avg. Annual Absorption - 2015 - Q1 2023 (msf)</b>	3.59	0.15	0.14	2.41	0.90	0.62
<b>Future Supply - Q2 2023 E - 2025 E (msf)</b>	13.98	-	-	12.21	1.77	1.77
<b>Market Rent - Q1 2023 (INR psf / month)</b>	87.67	142.28	224.52	94.03	54.01	92.97
<b>CAGR for Market Rent (2015 - Q1 2023)</b>	1.86%	0.92%	4.55%	2.03%	3.93%	1.34%

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. ^ Competitive REIT's micro market within Brookfield India REIT's city market for Subject Property.
5. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are computed by excluding the buildings which are less than 1 lakh square feet 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. Rentals for the Subject Property have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
9. Rentals presented above are weighted average values on completed stock.



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

Candor Techspace G1 is a freehold, Grade-A asset located in Gurugram city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

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

Note: SPR stands for Southern Peripheral Road

Note: The DMRC Yellow Line metro is proposed to be extended from HUDA City Centre to Udyog Vihar, via Old Gurugram and finally terminating at DLF Mousari Avenue rapid metro station. However, exact locations of metro stations are yet to be finalized. Also, a station for Delhi - Alwar RRTS is proposed at 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.

(Map not to scale)



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

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

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

Gurugram is divided into three office micro markets:

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

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

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



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

## 2.2 Key Statistics - Gurugram

Particulars	Details
<b>Total Completed Stock (Q1 2023)</b>	Approximately 61.01 msf
<b>Current Occupied Stock (Q1 2023)</b>	Approximately 48.08 msf
<b>Current Vacancy (Q1 2023)</b>	Approximately 21.19%
<b>Avg. Annual Net Absorption (2015 - Q1 2023)</b>	Approximately 2.41 msf
<b>Future Supply (Q2 2023 E - 2025 E)</b>	Q2 2023E - Q4 2023E: Approximately 1.54 msf 2024E: Approximately 4.41 msf 2025E: Approximately 6.26 msf

Source: Cushman and Wakefield Research

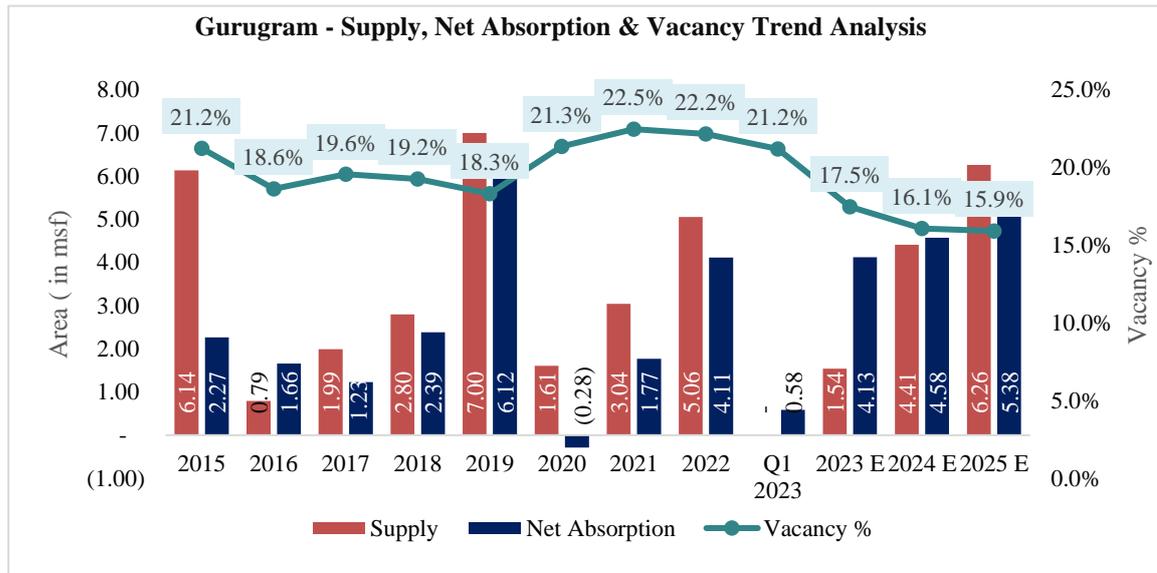
**Notes:**

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



### 2.3 Supply, Absorption & Vacancy

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



Source: Cushman and Wakefield Research

Notes:

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

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

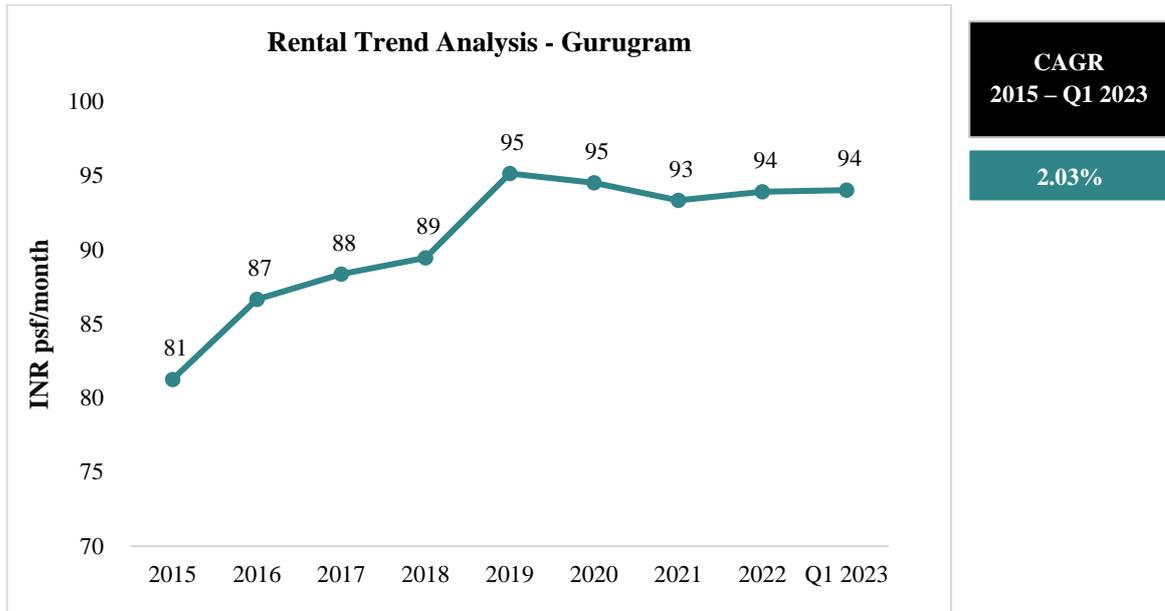
The micro markets in Gurugram developed their individual flavours in terms of nature of developments (campus and integrated) and larger developers created an ecosystem favouring their developments. With infrastructure getting a boost from the government and city limits expanding, office spaces offering better amenities are preferred over others. Brookfield India REIT's City Market has shown positive trend in supply and net absorption. The net absorption in Q1 2023 is 0.58 msf with vacancy of 21.2%.

Further, with increased hiring across the sectors specially IT 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 continuously improve and reach around 16% by year 2025E.



## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:



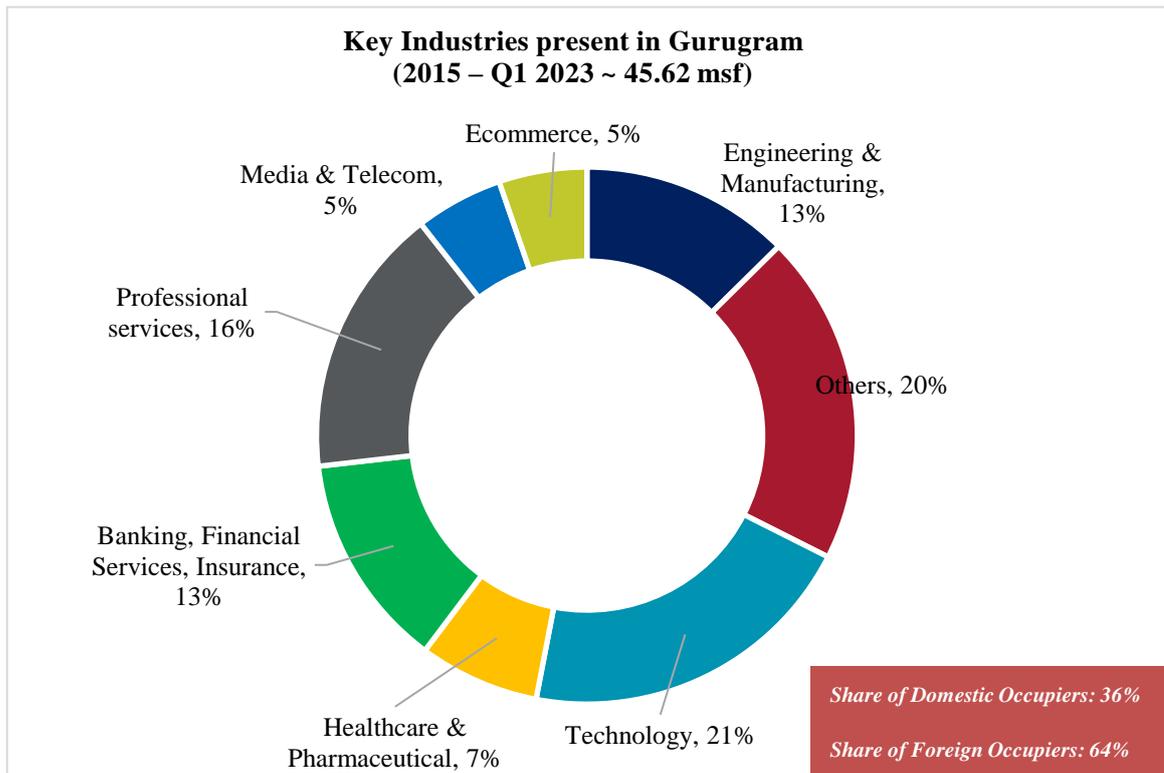
Source: Cushman and Wakefield Research

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 rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for competitive REIT Gurugram properties have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.

Gurugram witnessed a stabilised rental growth of approximately 2.43% between year 2015 to 2018 and witnessed sharp spike in year 2018 - 2019, resulting in a rental growth of ~6.4%. Since 2019, the rental has remained stable with CAGR of 2.03% for 2015 to Q1 2023.

## 2.5 Sectoral Demand Analysis - Gurugram (2015 - Q1 2023)



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 21% to the overall demand. The other prominent industries contributing 42% to the demand are professional services (16%), BFSI (13%) and Engineering & Manufacturing (13%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Gurugram is 64:36.



### **3 Gurugram South - Competitive REIT Micro Market**

#### **3.1 Overview**

Gurugram South is one of the prime office micro markets of Gurugram . The office supply constitutes a healthy mix of IT and Non-IT developments. Gurugram South has also evolved as one of the established locations for residential and retail segments. Residential supply constitutes primarily of high-rise group housing developments catering to Upper Middle-Income Group and High-Income Group. The retail landscaping of the Brookfield REIT micro market primarily consists of mall formats.

Some of the prominent office developments in the Gurugram South are Vatika One on One, One Horizon Center, Two Horizon Center, and the Subject Property. G1 is one of the largest integrated office developments in Gurugram in terms of leasable area. In addition, some of the renowned hotels in the micro market are Radisson, Hilton Garden Inn, Taj City Centre, Courtyard by Marriott, etc.



**3.2 Social and Physical Infrastructure**



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

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

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Bharti Sigma Centre (1.9km)	1. Park Hospital (3.4 km)	1. Star Mall (6.2 km)	1. Vatika One On One (5.6 km)	1. The Room (1 km)	1. DPG ITM (1.5 km)
2. Capital business Park (2 km)	2. Medanta Medicity (4.1 km)	2. Sector 29 (6.8 km)		2. Radisson (2.2 km)	2. National Law College (4.2 km)
3. Express Trade Towers (2.5km)	3. Samvit Hospital (1.4 km)	3. Galleria Market (8 km)		3. Hilton Garden Inn (3.3 km)	3. Gurugram University (4.5 km)
4. Brahma Bestech Athena (7.3 km)	4. S D Adarsh Vidyalaya (2 km)	4. Good Earth City Centre (4 km)		4. Taj City Centre (5 km)	4. Management Development Institute (7.3 km)



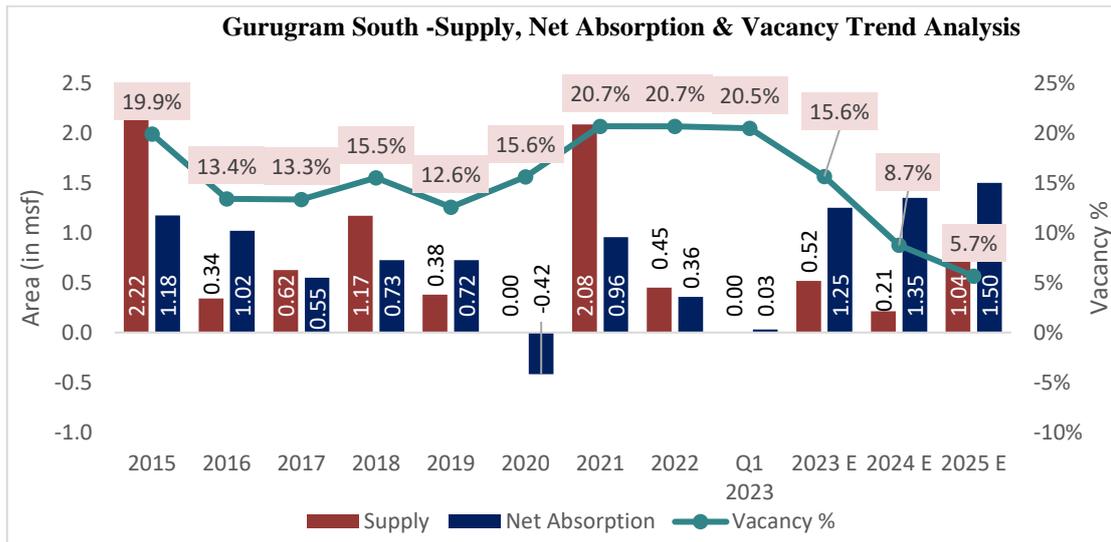
<b>Key Office Developments</b>	<b>Social Infrastructure</b>	<b>Lifestyle Infrastructure</b>	<b>Proposed/ Under Construction Office Developments</b>	<b>Hospitality Developments</b>	<b>Higher Education Institutions</b>
5. DLF world Tech Park (7.9km)	5. G D Goenka Public School (1.2 km)	5. 32nd Avenue (5.4 km)		5. Sector 29 (7.5 km)	
6. BPTP Park Centra (8.8km)	6. Day Cares (0.5 km)	6. Ardee Mall (7 km)		6. Courtyard by Marriott (7.3 km)	

Subject Property is connected to NH-48 and Sohna Road via Netaji Subhash Marg, is the main connecting road; connecting Gurugram to other cities of NCR. Further, Sohna Road which is other major road providing connectivity to Brookfield REIT micro market is part of upcoming Delhi-Mumbai Expressway (under Bharat mala project) wherein multiple elevated corridors and underpasses are being planned across the road to ease the traffic and enhance the connectivity.

Subject Property is in proximity to exiting metro viz. HUDA City Centre 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 Udyog Vihar via Subash Chowk (nearest landmark to Subject Property), Hero Honda Chowk, Old Gurugram and Palam Vihar Extension and will be having 2 new stations. PIB Approval of the same has already been obtained.



### 3.3 Supply, Absorption & Vacancy Analysis



Source: Cushman and Wakefield Research

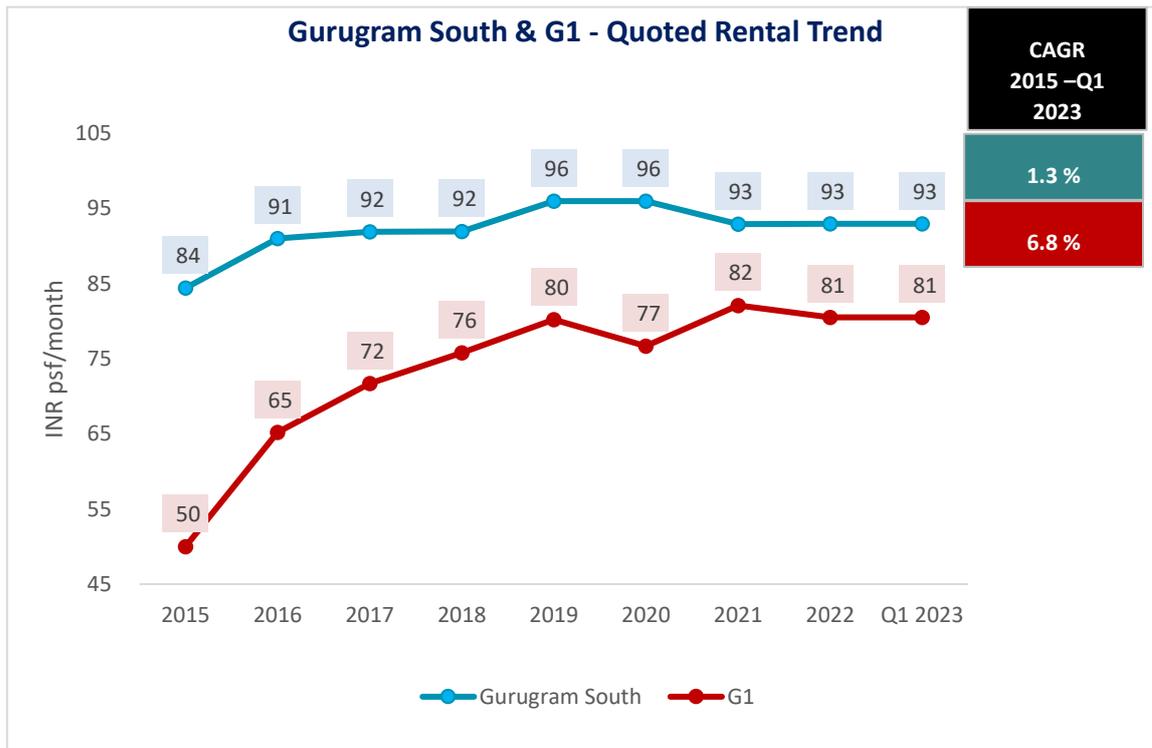
Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet 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.

This micro market refers to the geographical stretch of NH-48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH-48, Golf Course Road and Sohna Road. It contributes 27% of total stock of gurugram. Gurugram South has witnessed stability in vacancy in the past two years. The competitive REIT micro market benefits from its location and presence of established players like Brookfield and DLF. The competitive REIT micro market offers large integrated office developments addressing the office space requirements of large occupiers. The quality of developments coupled with locational advantages will continue to drive demand for the micro market. As on Q1 2023, the vacancy stands at 20.5%. With limited supply addition in the micro market The future absorption is expected to surpass pre covid levels.



### 3.4 Rental Trend Analysis



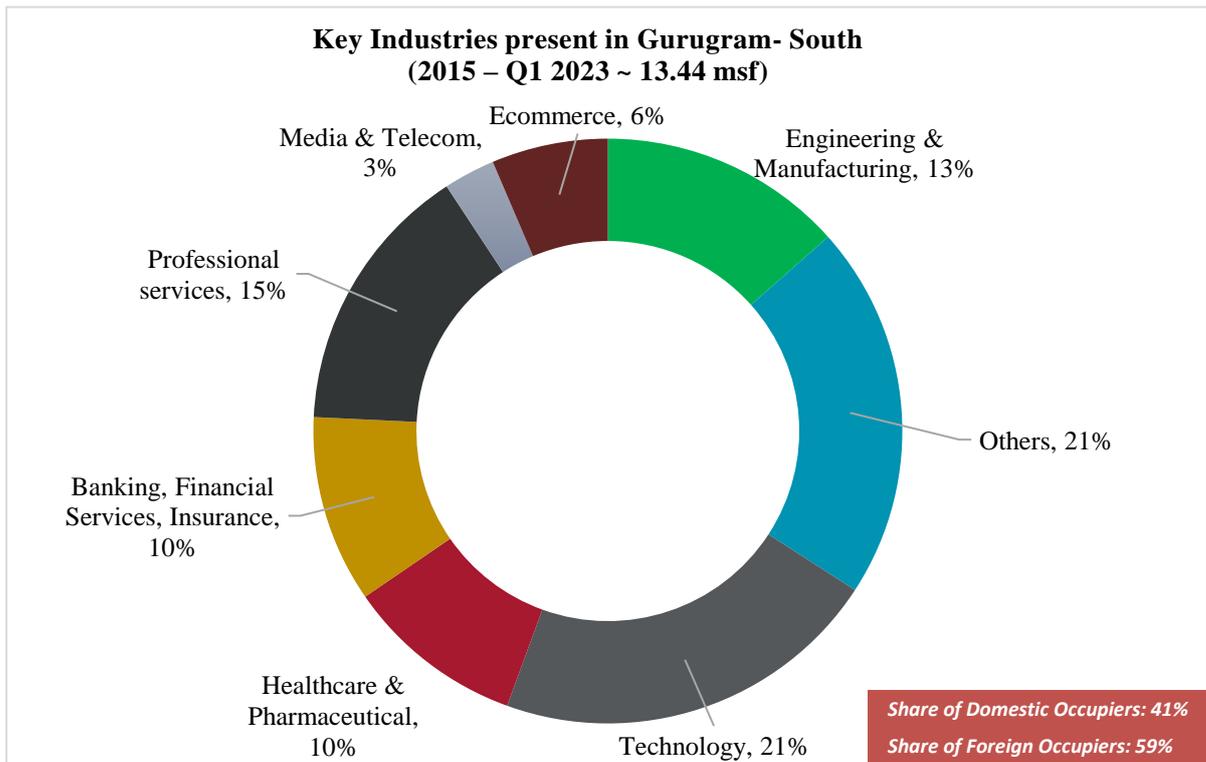
Source: Cushman and Wakefield Research

Notes:

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

Office micro markets across NCR have seen growth along selected clusters and in majority of the cases in specific office developments along a cluster. With occupiers preferring quality developments and spaces that allow them to implement their future expansion plans, such office developments are preferred over other developments available in same vicinity. These preferences are thus reflected on the achievable rental for an office development versus the cluster. The analysis suggests that G1 has witnessed a CAGR of 6.8% as compared to a growth of 1.3% in the Brookfield REIT micro market over the same period. The difference in rental growth substantiates the requirement and preference of occupiers for quality office space.

### 3.5 Sector Demand Analysis (2015 - Q1 2023)



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 South is dominated by Technology and Other Services sector which together contributes 42% of the leasing activity in the years 2015 -Q1 2023. The tenants are attracted to Brookfield REIT micro market due to availability of good physical and social infrastructure. The technology occupiers in this micro market are involved in the activities of software development, process engineering, research, and development etc. The other prime contributors to the demand are Professional Services and Engineering and Manufacturing together contributing 28%. The engineering occupiers in this Brookfield REIT micro market are involved in the activities of telecom research and development, automobile sales etc. The mix of foreign vs. domestic occupants in Gurugram South is 59: 41



#### **4 Market Outlook**

Gurugram South comprises some of the well-established office developments are Vatika One on One, One Horizon Center, Two Horizon Center, and the Subject Property.

The vacancy in the Competitive REIT Micro Market has shown a declining trend from 19.9% in 2015 to 12.6% in 2019. Since CY 2020 the vacancy level has increased owing to pandemic and continuous supply addition in the market. As on Q1 2023, the vacancy of the Competitive REIT Micro Market is 20.5% with 0.03 msf of net absorption during the period.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 93 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The Competitive REIT Micro Market has witnessed a rental CAGR of 1.3%, as compared of 6.8% in the Subject Property over the same period.

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, returning to office, the annual growth rate of 5% to 6% in market rents over medium to long term appears achievable for the Subject Property.

The Subject Property being an IT/ITeS development have prominent contribution of ~ 47% in the Competitive REIT Micro Market which enable it to cater the requirement of the large integrated office developments by the technology sector occupiers. Further we expect that the factors including growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs will further drive significant demand in the commercial real estate sector.

Candor Techspace G1 has captured a disproportionate share of the net absorption in the micro market, by capturing 95.2% of the net absorption compared to it's market share of 66.3% of the office stock.



## **C SUBJECT PROPERTY REPORT**



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

Address:	Village Tikri, Sector - 48, Sohna Road, Gurugram, Haryana - 122018, India
Ownership & title details:	Land tenure: Freehold; the land and buildings thereupon are owned by Candor Gurgaon One Realty Projects Private Limited, which is proposed to be 50% owned and controlled by the Brookfield India REIT

*Source: Client Information*

### 1.1 Encumbrances

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

### 1.2 Revenue Pendencies

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

### 1.3 Material Litigation

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

## 2 Location

### 2.1 General

The Subject Property is located in Village Tikri, Sector 48, Gurugram, which falls under the Gurugram South micro market. The micro market is one of the established office, residential and retail micro-markets of Gurugram.. It is accessible via Netaji Subash Marg (60-meter-wide road) which connects it to HUDA City Centre Metro Station on west, to NH 48 on north and east and to Sohna Road on south. NH 48 is a major arterial road that connects Gurugram to other cities of NCR. Further, completion of Sohna Elevated Corridor or Sohna Gurgaon road which is six-lane wide elevated corridor, has enhanced the overall connectivity and ease of traffic congestions in the area. Being located in Gurugram South micro market, Subject Property has access to good physical and social infrastructure

G1 lies in close proximity to HUDA City Centre Metro Station which further enhances its accessibility from different parts of NCR. Moreover, the 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 Subhash 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 approval from the central government is yet to be obtained.

The site layout map of the Subject Property is as follows:



(Map not to scale)



### **Site Boundaries**

The site boundaries the Subject Property are as follows:

North: Vacant Land Parcel

East & South: Developed Commercial and Residential Group Housing Formats

West: Vacant Land Parcel

## **2.2 Accessibility**

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

- Approximately 0.1 km from Sohna Road
- Approximately 02 km from NH 48 (Delhi Jaipur highway)
- Approximately 07 km from HUDA City Centre Metro Station
- Approximately 10 km from Gurugram Railway Station
- Approximately 12 km from DLF Cyber City
- Approximately 21 km from IGI Airport
- Approximately 33 km from Connaught Place

## **2.3 Ground Conditions**

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

## **2.4 Environmental Considerations**

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

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

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

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



### 3 Subject Property - Asset Description

G1 is an IT/ITeS SEZ business park with 12 completed and under construction buildings along with future development area. The listing of buildings under each component is as follows:

**Completed buildings with Occupancy Certificate (OC) received** - Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, Amenity Block 1 & 2

**Future development** - The future development has leasable area of 103,884 sq. ft., which is indicative and is subject to change once the internal business plans are in place or the construction is completed.

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

Particulars	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date
Tower 1	340,830	13	26,218	Completed	NA
Tower 2	381,348	14	27,239	Completed	NA
Tower 3	309,848	11	28,168	Completed	NA
Tower 4	350,824	13	26,986	Completed	NA
Tower 5	411,187	14	29,371	Completed	NA
Tower 6	310,797	11	28,254	Completed	NA
Tower 7	362,101	13	27,854	Completed	NA
Tower 8	773,216	14	55,230	Completed	NA
Tower 9	315,135	11	28,649	Completed	NA
Tower 10 (SEZ & Customs Office)	40,965	5	8,193	Completed	NA
Amenity Block 1	70,169	3	23,390	Completed	NA
Amenity Block 2	28,061	3	9,354	Completed	NA
Tower 11	103,884	-	-	Future Development	Q3 FY 2025-26
<b>Total/WA</b>	<b>3,694,482</b>		<b>26,575</b>		

Source: Architect's Certificate (05<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

### 3.1 Key Asset Information

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

Particulars	Details
<b>Entity:</b>	Candor Gurgaon One Realty Projects Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Gurgaon One Realty Projects Private Limited which is proposed to be 50% owned and controlled by the Brookfield India REIT <sup>1</sup>
<b>Age of building based on the date of Occupancy Certificate:</b>	Tower 1 - 5 years and 02 months Tower 2 - 8 years Tower 3 - 8 years Tower 4 - 8 years Tower 5 - 5 years and 1 months Tower 6 - 4 year and 4 months Tower 7 - 3 year and 8 months Tower 8 - 2 year and 5 months Tower 8A - 2 year and 1 months Tower 9 - 4 year and 4 months Amenity Block 1 - 2 year and 1 months Amenity Block 2 - 2 year and 5 months
<b>Asset Type:</b>	Approved IT/ITeS SEZ
<b>Sub-Market:</b>	Gurugram South
<b>Approved and Existing Usage:</b>	IT/ITeS SEZ
<b>Land Area (acres):</b>	~25.187
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	3,694,482 sq. ft.
<b>Occupied Area:</b>	2,786,867 sq. ft.
<b>Committed Occupancy (%) *</b>	75.43%
<b>Current Effective Rent (excluding parking)</b>	INR 77 per sq. ft. per month (for Office)
<b>Current Effective Rent (excluding parking)</b>	INR 75 per sq. ft. per month (including Office and Retail)
<b>Number of Tenants</b>	19 (office)*

Source: Architect's Certificate (05<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

Refer company structure set out in Annexure 2)

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

\*\* Wipro's (Group Companies) Includes (M/s Wipro HR Services India Private Limited and Wipro Limited) and Evalueserve's (Group Companies) includes Evalueserve SEZ (Gurgaon) Private Limited and Evalueserve.com Private limited..



### Future Development

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Gurgaon One Realty Projects Private Limited, which is proposed to be 50% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q4 FY 2025-26
<b>Asset type:</b>	Approved IT/ITeS SEZ
<b>Sub-market:</b>	Gurugram South
<b>Approved Usage:</b>	IT/ITeS SEZ
<b>Leasable Area:</b>	103,884 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (05<sup>th</sup> May 2023), and Client Information*



### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 12 operational buildings along with one future development areas was physically inspected on 29 <sup>th</sup> March 2023.
<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> <li>c. Area provisioned for Future development.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li>• <b>Completed/ Operational Building:</b> <p>The operational buildings in the campus are Tower 1, 2, 3, 5, 6, 7, 8, 9, 10, two amenity blocks (Block 1 &amp; 2), with OC received collectively admeasure 3,694,482 sq. ft.# of leasable area.</p> <p>The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>a. Office: 10 office towers namely 1, 2, 3, 5, 6, 7, 8, 9 and 10 having leasable area of 3,596,251 sq. ft. The office towers are occupied by multiple tenants. Major tenants in these towers are Capgemini, Fidelity, Wipro, Evalueserve etc.</li> <li>b. Amenity Block: Two amenity blocks: Block 1 &amp; 2 having total leasable area of 98,230 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B (in the form of multi-cuisine food courts and in-house kitchens), bank ATM, creche, sports arena, wellness centre, etc. Major tenants in these blocks are JRD (Food Boulevard), Maira Fitness, PNR.</li> </ol> </li> <li>• <b>Future development:</b> <p>The Future Development with leasable area of 103,884 sq. ft. is expected to be completed by Q4-FY 2025-26.</p> </li> </ul> <p><b><u>Other Amenities</u></b></p> <ul style="list-style-type: none"> <li>• The Subject Property has STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.</li> </ul>	



**Awards & Certifications**

- G1 has been awarded the IGBC Platinum Rating for sustainability in addition to the BEE 5-star rating for energy efficiency and group wide ISO Certification for Quality, Environment, Occupational Health & Safety and Energy management, namely ISO 9001, ISO 14001, ISO 45001 and ISO 50001

**Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 5,780 (including future developments) parking spaces.

**Other Observations**

- The Subject Property has two entry and two exit points which are managed according to the campus traffic circulation plan.
- Apart from regular upgradation activities, the Subject Property has witnessed a major revamp (both inside and outside the campus) leading to overall improved aesthetics.
- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- The utility areas also appeared well maintained, visually.
- No instances of any major logging or water accumulation were observed during the inspection.



### 3.3 Investigation and nature and source of information

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

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market report prepared by Cushman and Wakefield who were appointed by the Client to undertake market research and portfolio analysis of the Property 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: 05<sup>th</sup> May 2023) mentioning site areas and property areas

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

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

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

Management representation regarding the following:

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

Statement of Assets

Revenue pendency, if any

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



### 3.4 Tenant Profile

As of 31 March 2023, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~80% of leased area and ~78% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenant according to Leased Area	Leased Area (sq. ft.)
1	Capgemini	560,546
2	Fidelity	315,035
3	Wipro	271,043
4	Evalueserve	223,774
5	Midland Credit Management	221,794
6	Cognizant Technology	162,851
7	R1 RCM	135,441
8	NTT Data	113,858
9	Guardian	108,702
10	COLT	107,732
<b>Total</b>		<b>2,220,776</b>

Source: Rent Roll as at 31<sup>st</sup> March 2023 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Capgemini	19%
2	Fidelity	10%
3	Evalueserve**	9%
4	Midland Credit Management	8%
5	Wipro**	8%
6	Cognizant Technology	6%
7	R1 RCM	5%
8	Guardian	5%
9	COLT	4%
10	NTT Data	4%
<b>Total</b>		<b>79%</b>

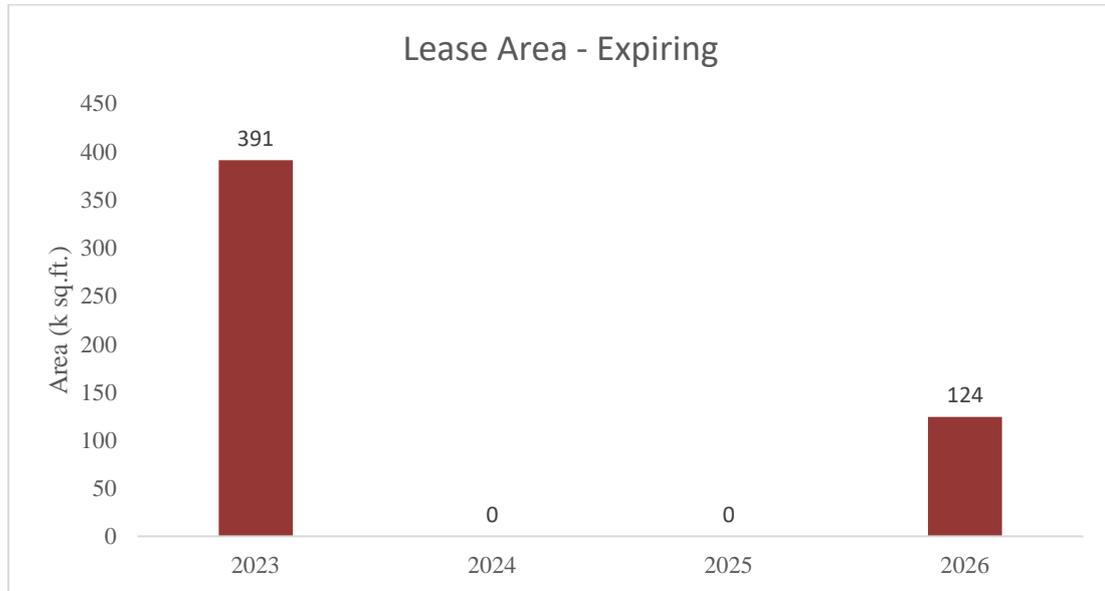
Source: Rent Roll as at 31<sup>st</sup> March 2023 and Client Information

\*\* Wipro's (Group Companies) Includes (M/s Wipro HR Services India Private Limited and Wipro Limited) and Evalueserve's (Group Companies) includes (Evalueserve SEZ (Gurgaon) Private Limited and Evalueserve.com Private Limited).



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the property is 6.7 years, with ~19% of occupied area expiring between 2023 and 2026 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 31<sup>st</sup> March 2023 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here 2023 represents April 2023 to December 2023.



## 4 Valuation Approach & Methodology

### 4.1 Asset-specific Review:

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

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

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

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

### 4.2 Micro-market Review:

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

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



### 4.3 Cash Flow Projections:

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

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

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

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

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

### 4.4 Information Sources:

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



## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-23
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-33

### Property Details

Property Details	Unit	Details
Total Leasable Area	Sq. ft.	3,694,482
Area Leased	Sq. ft.	2,786,867
Committed Occupancy*	%	75.43%
Vacant Area	Sq. ft.	907,615
Vacancy	%	24.57%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	Sq. ft.	815,253
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases (First Year)	Months	1
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	5780
Estimated Leasing Period	# of quarters	20

Source: Architect's Certificate (Dated: 05<sup>th</sup> May 2023), \*Rent Roll as at 31 March 2023

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 2023, the Gurugram South micro market has witnessed an average annual net absorption of approximately 0.62 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 1.48 msf. per annum till 2025E.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.81 msf within 20 quarters from July 2023 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2023.

**Subject Property and Relevant Existing/Upcoming Supply in the Gurugram South Micro Market**



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply and grey box signifies upcoming supply.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 76.00
Achievable Market Rent- Retail (Base)	Per sq. ft. per month	INR 96.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 80.00
Achievable Market Rent - Retail (including Parking)	Per sq. ft. per month	INR 100.00
Other Income	Per sq. ft. per month	INR 0.07
Rental Growth Rate (for FY'25 - FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% p.a.	4.0%
O&M Markup Growth Rate (MIOP Margin*)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.19

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

*\*\* Income Support is applicable on the areas that are currently vacant and on identified expiries due in FY 2024. The Income Support and CAM support of INR 80 and INR 12 PSF/Month respectively are applicable till March 31, 2024. Both will escalate by 5% from April 1, 2024 and be applicable till March 31, 2025."*

- **Market rent - office:**

- Achievable market rent includes parking charges of INR 4 per sq. ft. per month (considering the parking rent of INR 5,000 per slot per month)
- Approximately 0.07 million sq. ft. was leased in the rental range of INR 75-89 per sq. ft. per month (including parking).

#### Lease Transactions 2021-2023

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft) (Including Parking)
<b>Wipro</b>	2022	26,023	89
<b>Marelli</b>	2022	39,497	75

*Source: Rent roll as at 31<sup>st</sup> March 2023 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view of the future supply, which is very limited, enable the SEZ buildings to command a premium hence it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 80 per sq. ft. per month (including parking charges).
- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5-6% in the medium to long term.

The occupiers have started evaluating their return to office strategy. However, as the same is likely to take some time to translate into demand for office space. Hence, we have considered an annual rental growth of 6.0% during FY'25 to FY'28.



- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and MIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it; the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'23 ranges from INR 5-10 per sq. ft. per month., the total MIOP expense for the period between 1<sup>st</sup> April 2022 - 31 March 2023 for G1 is considered to be INR 38.14 Million and escalated at 8% annually for subsequent years. Thus, the MIOP expense for the period, the tenants are charged INR 3.31 - 7.74 per sq. ft. per month, based on their tenancy type on account of MIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 75% where it was more than 75%, when the area gets re-leased on expiry.
- **MIOP:** For the purpose of valuation, as per the understanding given to us by the client, we understand that G1 will not entitled to receive MIOP income and corresponding cost till FY'2053-54. Post FY'2053-54, net cash flow from MIOP will be included in the valuation. The same has been reflected in our valuation.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 6.40
Property Tax	Per sq. ft./month	INR 0.09
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

Please note that there is a general development expenditure of INR 247.4 million to be incurred on the Subject Property

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax:** Property tax has been provided for FY'23 and the same has been projected to increase at 5% per annum from FY'24 onwards. Insurance cost forms a part of O&M cost and has been adjusted against the O&M Margin.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

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

In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for a proposed public listing with better liquidity/marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

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

Source: Secondary Market Research

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



- **Discount Rate**

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

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

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



**Future Development : Tower 11**

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

**Property Details**

Property Details	Unit	Future Development
Total Leasable Area	Sq. ft.	103,884
Stabilized Vacancy	%	2.5%
Existing Lease Rollovers	%	100%
Rent Free Period - New Leases	Months	4
Estimated Leasing Period	# of quarters	7

**Construction Related Assumptions**

Construction Related Assumptions	Units	Future Development
Start Date of Construction	MMM-YY	Apr -25
End Date of Construction	MMM-YY	Mar -26
Total Construction Cost <sup>3</sup>	INR Million	493
Construction Cost Incurred till Date	INR Million	-
Construction Cost to be Incurred	INR Million	493

Notes:

1. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 76.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 80.00
Rental Growth Rate (for FY'25 - FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% p.a.	4.0%
O&M Markup Growth Rate (MIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.19

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

### Capitalization Rate and Discount Rate

With reference to the explanation in completed property section, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year. Owing to the various risks pertaining to the under-construction/ future development properties, we have considered a risk premium of 125bps, to derive the WACC of 13.00% for future development properties. This is in line with the expectations of international investors investing in similar assets.



## 6 Market Value

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

Component	Market Value as on	In Figures	In Words
Completed Building	31 March 2023	INR 49,401 Million	Indian Rupees Forty-Nine Billion Four Hundred and One Million Only
Future Development	31 March 2023	INR 548 Million	Indian Rupees Five Hundred and Forty-Eight Million Only

### POTENTIAL ACHIEVABLE PRICE ESTIMATION OF MIOP FOR 31ST MARCH 2025 BASED ON 28 YEARS CASHFLOW

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report and to there being no onerous restrictions or unusual encumbrances of which he has no knowledge, the potential achievable price of MIOP in the year 2025 is likely to be in the range of **INR 1,486 Million for completed buildings and INR 67 Million for Future development.**

(The above indicative is based upon our assessment of the market dynamics likely to be prevailing in 2025)

*Note- As per the information provided to us by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management, operations of Candor Techspace G1 and administration of the Company's functions for a period of 30 years. As per the understanding between MIOP and Candor Techspace G1, the cashflows of the real estate operating services will be part of MIOP till 30 years, post which, the cashflows of the services will accrue to Candor Techspace G1 the same would be included while calculating the market value of G1. The above indicative range is based upon our assessment of the market dynamics likely to be prevailing in 2025.*

### Ready Reckoner Rate

Component	Rate
Built up area	INR 6,600 per sq. ft.
Land area	INR 1,80,000 per sq. yard.

For reference, please refer Annexure 7

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

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

Prepared by

(L.Anuradha)

IBBI/RV/02/2022/14979





## **D ANNEXURES**



## Annexure 1: Cash Flows

**Completed Buildings:** with Occupancy Certificate (OC) received (Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and Amenity Block 1 & 2)

Particulars	Unit	1	2	3	4	5	6	7	8	9	10	11
		1-Apr-23	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
		31-Mar-24	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
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	2,321	2,611	2,989	3,299	3,691	4,006	4,296	4,809	5,067	5,281	5,706
Parking Income	INR Million	57	57	61	62	60	59	51	37	39	40	27
O&M Markup	INR Million	194	219	246	272	306	337	351	368	384	400	418
Other Income (Telecom)	INR Million	31	32	34	36	37	39	41	43	46	48	50
<b>Total Income</b>	<b>INR Million</b>	<b>2,603</b>	<b>2,920</b>	<b>3,329</b>	<b>3,669</b>	<b>4,095</b>	<b>4,441</b>	<b>4,740</b>	<b>5,257</b>	<b>5,535</b>	<b>5,769</b>	<b>6,201</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,603</b>	<b>2,920</b>	<b>3,329</b>	<b>3,669</b>	<b>4,095</b>	<b>4,441</b>	<b>4,740</b>	<b>5,257</b>	<b>5,535</b>	<b>5,769</b>	<b>6,201</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(64)	(63)	(56)	(41)	(19)	-	-	-	-	-	-
Property Taxes	INR Million	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(6)	(6)	(6)	(7)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(69)</b>	<b>(68)</b>	<b>(60)</b>	<b>(46)</b>	<b>(24)</b>	<b>(5)</b>	<b>(5)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(7)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,535</b>	<b>2,852</b>	<b>3,269</b>	<b>3,623</b>	<b>4,072</b>	<b>4,436</b>	<b>4,735</b>	<b>5,252</b>	<b>5,529</b>	<b>5,762</b>	<b>6,194</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	77,427	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(774)	-
Fit Out Income	INR Million	28	30	30	32	35	35	37	40	40	43	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>2,563</b>	<b>2,882</b>	<b>3,299</b>	<b>3,656</b>	<b>4,107</b>	<b>4,471</b>	<b>4,772</b>	<b>5,292</b>	<b>5,569</b>	<b>82,458</b>	-
Maintenance Capex	INR Million	(48)	(53)	(61)	(67)	(75)	(81)	(87)	(97)	(102)	(106)	-
Brokerage Expenses	INR Million	(13)	(36)	(38)	(60)	(72)	(23)	(61)	(37)	(28)	(61)	-
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(247)</b>	<b>-</b>	<b>-</b>								
Rental Support	INR Million	1,263	737	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>3,518</b>	<b>3,529</b>	<b>3,200</b>	<b>3,528</b>	<b>3,960</b>	<b>4,366</b>	<b>4,624</b>	<b>5,158</b>	<b>5,439</b>	<b>82,290</b>	-

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



**Completed Buildings MIOP 30 Years Calculation:** with Occupancy Certificate (OC) received (Tower 1, 2, 3, 4, 5, 6, 7, 9, 10 and Amenity Block 1 & 2)

Particulars	Unit	1-Apr-23	2-Apr-25	3-Apr-26	4-Apr-27	4-Apr-28	5-Apr-29	6-Apr-30	7-Apr-31	7-Apr-32	8-Apr-33	9-Apr-34	10-Apr-35	10-Apr-36	11-Apr-37	12-Apr-38
		31-Mar-24	2-Apr-26	3-Apr-27	3-Apr-28	4-Apr-29	5-Apr-30	6-Apr-31	6-Apr-32	7-Apr-33	8-Apr-34	9-Apr-35	9-Apr-36	10-Apr-37	11-Apr-38	12-Apr-39
BIOP Income	INR Million	175.51	195.19	215.24	234.68	258.70	281.31	295.38	310.15	325.65	341.94	359.03	376.99	395.84	415.63	436.41
BIOP Expenses	INR Million	(91.11)	(91.11)	(91.11)	(98.40)	(106.28)	(114.78)	(123.96)	(133.88)	(144.59)	(156.16)	(168.65)	(182.14)	(196.71)	(212.45)	(229.44)
Net Cash Flow	INR Million	84.40	104.08	124.12	136.27	152.43	166.53	171.42	176.27	181.07	185.78	190.39	194.85	199.13	203.18	206.97
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Unit	13-Apr-39	13-Apr-40	14-Apr-41	15-Apr-42	16-Apr-43	16-Apr-44	17-Apr-45	18-Apr-46	19-Apr-47	19-Apr-48	20-Apr-49	21-Apr-50	22-Apr-51	22-Apr-52	23-Apr-53	23-Apr-54
		12-Apr-40	13-Apr-41	14-Apr-42	15-Apr-43	15-Apr-44	16-Apr-45	17-Apr-46	18-Apr-47	18-Apr-48	19-Apr-49	20-Apr-50	21-Apr-51	21-Apr-52	22-Apr-53	23-Apr-54	23-Apr-55
BIOP Income	INR Million	458.23	481.14	505.20	530.46	556.98	584.83	614.07	644.77	677.01	710.86	746.41	783.73	822.91	864.06	907.26	952.63
BIOP Expenses	INR Million	(247.80)	(267.62)	(289.03)	(312.15)	(337.13)	(364.10)	(393.22)	(424.68)	(458.66)	(495.35)	(534.98)	(577.78)	(624.00)	(673.92)	(727.83)	(786.06)
Net Cash Flow	INR Million	210.43	213.52	216.17	218.30	219.85	220.73	220.85	220.09	218.36	215.51	211.43	205.95	198.92	190.14	179.43	166.57
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,082.09	-

MIOP income has been escalated 5% p.a. and MIOP expenses has been escalated 8% p.a.

As described on page 45, as per the information given by the client, G1 is entitled to receive MIOP net income post FY'2054-55.



**Future Development: Tower 11**

Particulars	Unit	01-Apr-23 31-Mar-24	01-Apr-24 31-Mar-25	01-Apr-25 31-Mar-26	01-Apr-26 31-Mar-27	01-Apr-27 31-Mar-28	01-Apr-28 31-Mar-29	01-Apr-29 31-Mar-30	01-Apr-30 31-Mar-31	01-Apr-31 31-Mar-32	01-Apr-32 31-Mar-33	01-Apr-33 31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	-	-	-	10	70	118	124	134	138	142	154
<b>Total Income</b>	INR Million	-	-	-	12	77	128	133	144	148	153	165
<b>Total Income from occupancy</b>	INR Million	-	-	-	12	77	128	133	144	148	153	165
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	(9)	(7)	(2)	-	-	-	-	-	-
Property Taxes	INR Million	-	-	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Total Operating Costs</b>	INR Million	-	-	(9)	(7)	(2)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Net operating Income</b>	INR Million	-	-	(9)	4	75	128	133	144	148	153	165
<b>Terminal Value</b>	INR Million	-	-	-	-	-	-	-	-	-	2,064	-
<b>Transaction Cost</b>	INR Million	-	-	-	-	-	-	-	-	-	(21)	-
<b>Total Net Income</b>	INR Million	-	-	(9)	4	75	128	133	144	148	2,197	165
Maintenance Capex	INR Million	-	-	-	(0)	(1)	(2)	(2)	(3)	(3)	(3)	-
Brokerage Expenses	INR Million	-	-	-	(8)	(12)	-	-	-	-	-	-
<b>Total Construction Costs</b>	INR Million	-	-	(493)	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	-	-	(502)	(4)	62	125	131	141	145	2,194	-

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



**Future Development MIOP 30 Years Cashflows: Tower 11**

Particulars	Unit	1-Apr-23	2-Apr-25	3-Apr-26	4-Apr-27	4-Apr-28	5-Apr-29	6-Apr-30	7-Apr-31	7-Apr-32	8-Apr-33	9-Apr-34	10-Apr-35	10-Apr-36	11-Apr-37	12-Apr-38
		31-Mar-24	2-Apr-26	3-Apr-27	3-Apr-28	4-Apr-29	5-Apr-30	6-Apr-31	6-Apr-32	7-Apr-33	8-Apr-34	9-Apr-35	9-Apr-36	10-Apr-37	11-Apr-38	12-Apr-39
BIOP Income	INR Million	-	-	-	2.88	6.49	7.91	8.31	8.72	9.16	9.61	10.10	10.57	11.10	11.66	12.24
BIOP Expenses	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	INR Million	-	-	-	2.88	6.49	7.91	8.31	8.72	9.16	9.61	10.10	10.57	11.10	11.66	12.24
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Unit	13-Apr-39	13-Apr-40	14-Apr-41	15-Apr-42	16-Apr-43	16-Apr-44	17-Apr-45	18-Apr-46	19-Apr-47	19-Apr-48	20-Apr-49	21-Apr-50	22-Apr-51	22-Apr-52	23-Apr-53	23-Apr-54
		12-Apr-40	13-Apr-41	14-Apr-42	15-Apr-43	15-Apr-44	16-Apr-45	17-Apr-46	18-Apr-47	18-Apr-48	19-Apr-49	20-Apr-50	21-Apr-51	21-Apr-52	22-Apr-53	23-Apr-54	23-Apr-55
BIOP Income	INR Million	12.85	13.50	14.17	14.88	15.62	16.40	17.22	18.09	18.99	19.94	20.94	21.98	23.08	24.24	25.45	26.72
BIOP Expenses	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	INR Million	12.85	13.50	14.17	14.88	15.62	16.40	17.22	18.09	18.99	19.94	20.94	21.98	23.08	24.24	25.45	26.72
Terminal Cahflow	INR Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334.02

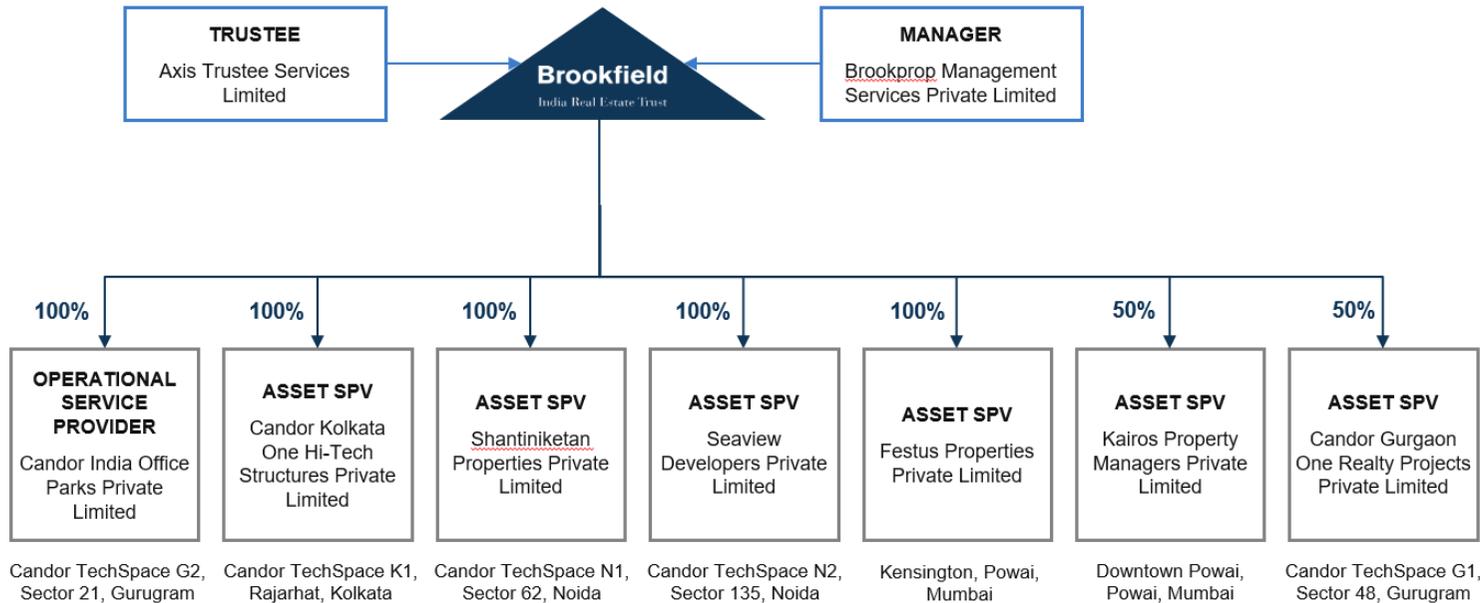
Note: We have arrived at the valuation using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



Annexure 2: Proposed Ownership Structure

Holding Structure

**Brookfield**  
India Real Estate Trust

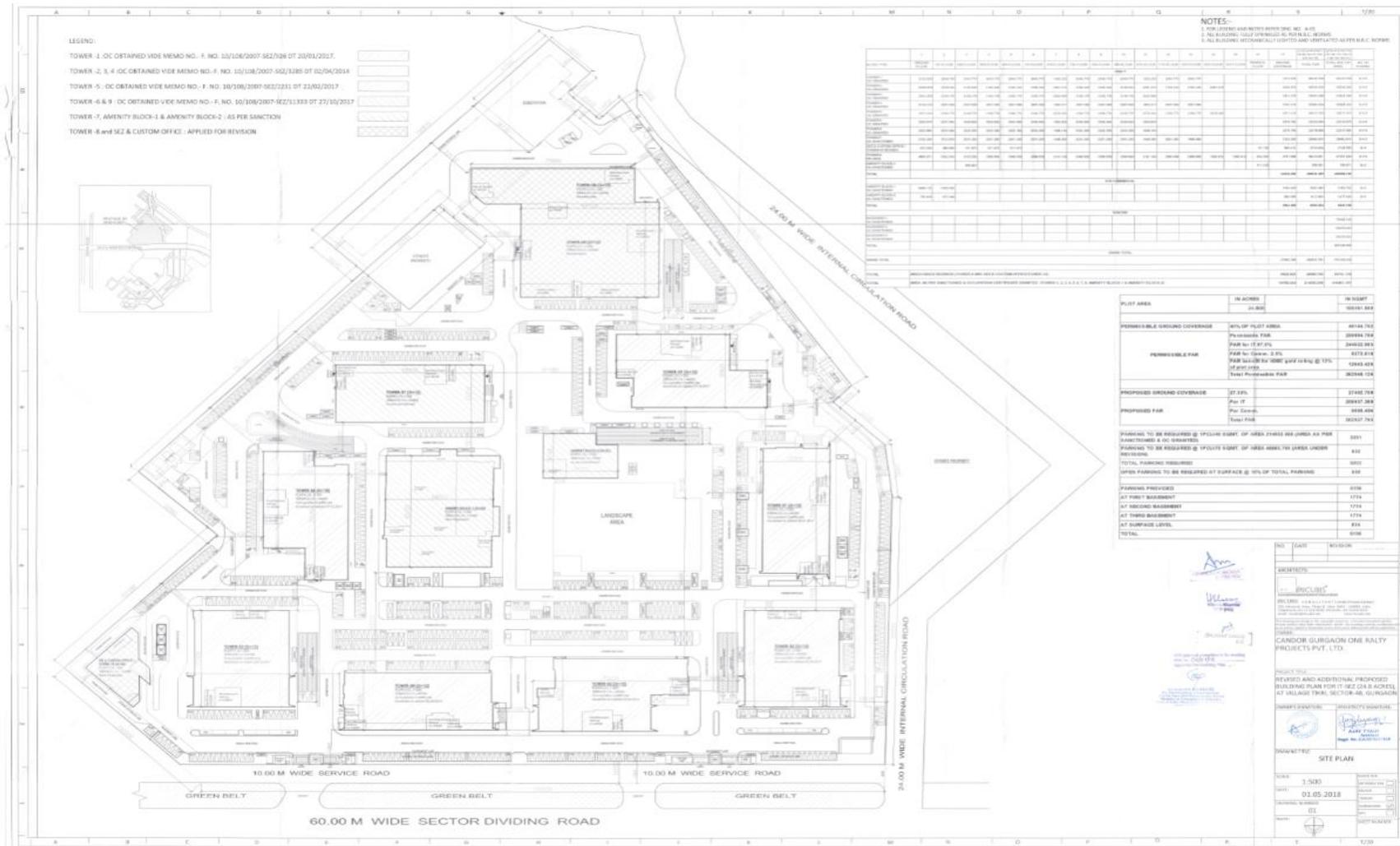


Notes:

1. By way of a scheme of amalgamation filed with the NCLT, Candor Gurgaon 2 has merged into Candor Kolkata. The NCLT has approved the scheme by way of its order dated 8 August 2019 and has approved the application for rectification of the aforesaid order by way of its order dated 14 November 2019. The scheme has been made effective from May 4 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020
2. The Call Option SPVs are proposed to be acquired by the Brookfield India REIT in the future, subsequent to the listing of our units, pursuant to the Call Option Agreements. For further details on the Call Option Agreements, see “Key Terms of the Formation Transactions”



**Annexure 3: Site Layout (Complete & Future Development)**



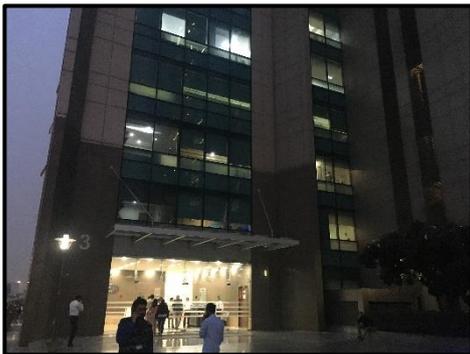
**Annexure 4: Property Photographs**



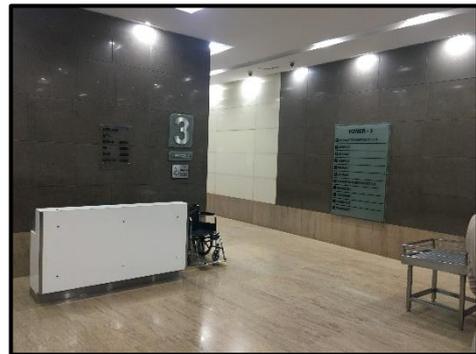
View of Tower 1



View of Tower 2 & 3



View of Tower 3



View of Tower 3



View of Tower 4



View of Tower 4



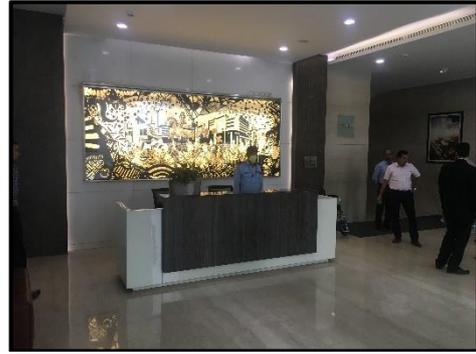
View of Tower 5



View of Amenity Block



View of Tower 6



Internal view of Tower 6



View of Tower 7



View of Tower 7



View of Tower 9



Internal view of Tower 8



View of Tower 10 (SEZ & Customs Office)



Internal view of Tower 10 (SEZ & Customs Office)



**Annexure 5: Statement of Key assets**

Building	No/Name	B1	B2	B3	B4	B5	B6	B7	B8 (UC)	B9
No of DG Capacity	KVA	(3x1500KVA+1x1010KVA)	(2x1010KVA+6x1500KVA)		(7x1500 KVA+1x1010KVA)		(3x 1500KVA)	(3x 2000 KVA)		(3x 1500KVA)
No of Transformer/Capacity	KVA	(2x1600KVA)	(2x2500KVA)	(3x1600KVA)	(2x1600KVA)	(3x2000KVA)	(2x1500KVA)	(4x2500KVA)		(2x1600KVA)
Chiller Rating	TR	( 3 X 450 TR )	( 5 X 450 TR )		( 5 X 450 TR )		( 3 X 400 TR )	( 3 X 450 TR )		( 3 X 400 TR )
Cooling Tower	TR	HVAC- 3 X 450 TR DG- 3 X 150 TR + 1 X 100 TR	HVAC- 5 X 450 TR DG- 6 X 150 TR + 2 X 100 TR		HVAC- 5 X 450 TR DG- 7 X 150 TR+ 1 X 100 TR		HVAC- 3 X 400 TR DG- 3 X 150 TR	HVAC- 3 X 450 TR DG- 3 X 200 TR		HVAC- 3 X 400 TR DG- 3 X 150 TR
FF System (Pumps & Engine)	KW/HP	Jockey Pump: 2 X 9 KW Hydrant Pump: 1 X 110KW Sprinkler Pump: (1 X 110 KW) Curtain Pump: 55 KW X 1 Engine Pump: (1 X 113.2 KW)			Jockey Pump: (2 X 9KW) Curtain Pump: 55KW X 1		Sprinkler Pump: (1 X 110 KW) 113.2 KW)			Hydrant Pump: 1*110KW Engine Pump: (1 X
Water Pumping System (Domestic & Flushing)	KW	Domestic: 2 X 11 KW Flushing: 2 X 4 KW	Domestic: 2 X 11 KW Flushing: 2 X 4 KW	Domestic: 2 X 9 KW Flushing: 2 X 3 KW	Domestic: 2 X 11 KW Flushing: 2 X 7.5 KW	Domestic: 2 X 7.5 KW Flushing: 2 X 7.5 KW	Domestic: 2 X 11 KW Flushing: 2 X 5.5 KW	Domestic: 2 X 11 KW Flushing: 2 X 7.5 KW		Domestic: 2 X 2.2 KW Flushing: 2 X 4 KW
STP Rating	KLD	630 KLD X 1 + 500 KLD X 1								
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell		Bare Shell



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

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

**Approvals Received**

- a) Building Plan Approvals for all existing/ under construction buildings and amendments thereof
- b) Full Occupancy Certificates received for all the operational buildings
- c) Sewerage Approvals for all buildings and the common campus area
- d) Consent to Establish (CTE)
- e) Environment Clearance Certificate
- f) One-time Fire NOC
- g) Height clearance NOC from AAI
- h) SEZ Notification by The Gazette of India and by Haryana Government
- i) BOCW Registration
- j) Forest Clarification
- k) Approval of Service Plan Estimates
- l) Consent to Operate (CTO)
- m) EC (revalidation)

**Approvals Pending**

Approvals for Future Development Area



Annexure 7: Ready Reckoner Rate

Proposed Collector rate list of Sub Tehsil Badshahpur, District Gurugram for the year 2023-24									
Sr. No.	Huda Sectors	Rates for the year of 2022-23				Proposed Rates for the year of 2023-24			
		Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO / SCS	Office /IT Space (Rs. Per Sq. feet )	Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. yard) SCO/SCS	Commercial /Retail (Rs. Per Sq. feet) SCO/SCS	Office /IT Space (Rs. Per Sq. feet )
1	Sec-33, 38, 47, 48, 49, 50	44000	165000	10000	6600	60000	180000	11000	6600
2	Sec-62, 63, 66, 69, 70, 70A, 71, 72	36500	100000	6000	4500	45000	135000	7800	4500
3	Sec-63, 63A, 64, 67, 67A, 68	28500	85000	4000	3100	35000	100000	5200	3100
4	Other Area in Sub-Tehsil Badshahpur	NA	9000	6600	NA	NA	9900	7500	NA

 Naib Tehsildar,  
Badshahpur
  SDO (c)  
Badshahpur
  DRO  
Gurugram
  Deputy Commissioner-cdm- Registrar,  
Gurugram.



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

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

- Installation of a 66 KV sub-station in the office park, which we believe has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for our tenants;
- Undertaken renovations at the office park such as refurbishing the food court, landscaping and lobby improvements to enhance the overall experience;
- Resolved traffic congestion issues by streamlining the entry and exit from the campus and using RFID parking system.; and
- Installed rooftop solar panels and additional rain water harvesting pits to reduce its carbon footprint



## Annexure 9: Caveats & Limitations

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



and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

5. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LoE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
7. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from the Valuer for any purpose.
8. This engagement shall be governed by and construed in accordance with Indian laws and any dispute arising out of or in connection with the engagement, including the interpretation thereof, shall be submitted to the exclusive jurisdiction of courts in New Delhi.



**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**

**16<sup>th</sup> May 2023**



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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. Candor Gurgaon One Realty Projects Pvt. Ltd. ("G1")  
2. Kairos Property Managers Pvt. Ltd. ("Kairos Properties")

**Report Date:** 16<sup>th</sup> May 2023

## **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 18<sup>th</sup> May 2022. ("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 50 professionals.

C&WI Valuation & Advisory Services India have completed over 9,997 valuation and advisory assignments across varied asset classes/ properties worth USD 446 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 7 offices across India (Mumbai, 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 2019 ("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 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 not exceed the professional indemnity insurance limited to 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 CY 2022. Factors resulting in increase in the office 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 2023 which are spread across Gurugram and Mumbai has been reviewed:

To be Formed as a Part of REIT Portfolio 1						
Sr No	Location	Asset		Leasable Area		
		Subject Properties	Asset	Completed (In Msf)	Under Construction (In Msf)	Future Development (In Msf)
1	Sector – 48, Gurugram	Candor Techspace G1	G1	3.69	NA	0.10
2	Powai, Mumbai	Kairos Properties	Alpha	0.11	NA	NA
3	Powai, Mumbai	Kairos Properties	CRISIL House	0.21	NA	NA
4	Powai, Mumbai	Kairos Properties	Delphi	0.35	NA	NA
5	Powai, Mumbai	Kairos Properties	Fairmont	0.28	NA	NA
6	Powai, Mumbai	Kairos Properties	Winchester	0.75	NA	NA
7	Powai, Mumbai	Kairos Properties	Prudential	0.23	NA	NA
8	Powai, Mumbai	Kairos Properties	Spectra	0.19	NA	NA
9	Powai, Mumbai	Kairos Properties	One Boulevard	0.11	NA	NA
10	Powai, Mumbai	Kairos Properties	Ventura A	0.42	0.07	NA

1. For G1 based on Architect's Certificate Dated: 05<sup>th</sup> May 2023

2. For Kairos based on Architect's Certificate Dated: 12<sup>th</sup> May 2023



**Below is the Property wise analysis:**

**REIT Portfolio**

- **Candor Techspace G1:** C&WI view of the achievable market rent for the asset would be in the range of INR 78-82 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Kairos Properties**
  - **Alpha:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 165-175 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **CRISIL House:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Delphi:** C&WI view of the achievable market rent for office spaces the asset would be in the range of INR 165-175 per sq. ft. per month; for retail spaces on the ground floor would be in the range of INR 265-275 per sq. ft. per month; and for retail spaces on the first floor would be in the range of INR 185-195 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Fairmont:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 140-150 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Winchester:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 140-150 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Prudential:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month; and for retail spaces on the ground floor would be in the range of INR 400-425 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
  - **Spectra:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.



- **One Boulevard:** C&WI view of the achievable market rent for office spaces within the asset would be in the range of INR 165-175 per sq. ft. per month; and for retail spaces on the ground floor would be in the range of INR 325-375 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office developments in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.
- **Ventura A:** C&WI view of the achievable market rent for IT office spaces within the asset would be in the range of INR 150-160 per sq. ft. per month; for Non-IT office spaces within the asset INR 165-175; for retail spaces on the ground floor would be in the range of INR 400-425 per sq. ft. per month; and for retail spaces on the first floor would be in the range of INR 250-300 per sq. ft. per month. This is keeping in mind the latest transactions within the park and competing office 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

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Valuation and Advisory Services



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## 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 to be formed as a 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 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 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 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.



## Key Assumptions

### Properties to be formed as a part of REIT Portfolio

#### 1. Candor Techspace G1

Particulars	Units	Details	
<b>Property details</b>			
Type of property		<b>Completed</b>	<b>Future Development</b>
Leasable area	Msf	3.69	0.10
Committed Occupancy	%	75.43%	NA
<b>Key Assumptions</b>			
Achievable Market Rental per month	INR per sq. ft.	76	76
Rental Growth Rate	(for FY'25 - FY'28) (from FY'29 onwards)	%	%
		6.00%	6.00%
		5.00%	5.00%
Normal Market lease tenure	Years	9	9
Construction start date	Date	NA	Q1 FY 2025-26
Construction end date	Date	NA	Q4 FY 2025-26
Capitalization Rate	%	8.00%	8.00%
WACC	%	11.75%	13.00%

NA - Not Applicable

#### 2. Alpha

Particulars	Units	Details	
<b>Property Details</b>			
Type of property		<b>Completed</b>	
Leasable area	Msf	0.11	
Committed Occupancy	%	73.2%	
<b>Key Assumptions</b>			
Achievable Rental per month	INR per sq. ft.	170	
Rental Growth Rate	(for FY'25 - FY'26) (from FY'27 onwards)	%	%
		6.0%	5.0%
		5.0%	5.0%
Normal Market lease tenure	Years	5	
Capitalization Rate	%	8.00%	
WACC	%	11.75%	

#### 3. Crisil House

Particulars	Units	Details	
<b>Property Details</b>			
Type of property		<b>Completed</b>	
Leasable area	Msf	0.21	
Committed Occupancy	%	100.0%	
<b>Key Assumptions</b>			
Achievable Rental per month	INR per sq. ft.	155	
Rental Growth Rate	(for FY'25 - FY'26) (from FY'27 onwards)	%	%
		6.0%	5.0%
		5.0%	5.0%
Normal Market lease tenure	Years	5	
Capitalization Rate	%	8.00%	
WACC	%	11.75%	



#### 4. Delphi

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.35
Committed Occupancy	%	93.1%
<b>Key Assumptions</b>		
Achievable Rental per month - Office	INR per sq. ft.	155
Achievable Rental per month – Retail (GF)	INR per sq. ft.	270
Achievable Rental per month – Retail (FF)	INR per sq. ft.	190
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

#### 5. Fairmont

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.28
Committed Occupancy	%	100.0%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	145
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

#### 6. Winchester

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.75
Committed Occupancy	%	83.9%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	145
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%



## 7. Prudential

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.23
Committed Occupancy	%	90.6%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	155
Achievable Rental per month – Retail (GF)	INR per sq. ft.	405
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

## 8. Spectra

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.19
Committed Occupancy	%	65.2%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	155
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%

## 9. One Boulevard

Particulars	Units	Details
<b>Property Details</b>		
Type of property		<b>Completed</b>
Leasable area	Msf	0.11
Committed Occupancy	%	100.0%
<b>Key Assumptions</b>		
Achievable Rental per month	INR per sq. ft.	170
Achievable Rental per month – Retail (GF)	INR per sq. ft.	350
Rental (for FY'25 - FY'26)	%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%
Normal Market lease tenure	Years	5
Capitalization Rate	%	8.00%
WACC	%	11.75%



## 10. Ventura A

Particulars	Units	Details	
<b>Property Details</b>			
Type of property		<b>Completed</b>	<b>Under-Construction</b>
Leasable area	Msf	0.42	0.07
Committed Occupancy	%	95.2%	24.5%
<b>Key Assumptions</b>			
Achievable Rental per month for IT office	INR per sq. ft.	155	155
Achievable Rental per month for Non-IT office	INR per sq. ft.	170	170
Achievable Rental per month – Retail (GF)	INR per sq. ft.	405	405
Achievable Rental per month – Retail (GF)	INR per sq. ft.	280	280
Rental (for FY'25 - FY'26)	%	6.0%	6.0%
Growth Rate (from FY'27 onwards)	%	5.0%	5.0%
Normal Market lease tenure	Years	5	5
Construction start date	Date	NA	Dec-21
Construction end date	Date	NA	Sep-23
Capitalization Rate	%	8.00%	8.00%
WACC	%	11.75%	11.75% / 13.00%*

NA - Not Applicable

\*Refurbishment works on the 1st Floor (part) of Ventura A has been completed and approvals from relevant authorities are pending. For 1st floor of Ventura A, the discount rate is assumed to be 11.75% ie similar to completed buildings



**ANVI ADVISORS**

A Nex-Gen Valuation Intelligence

# BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED

Valuation of "Candor TechSpace - Commercial IT/ITeS Development Located at Sector-48, Gurgaon, Haryana.

March 2023- Final Report



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## ABBREVIATIONS

<b>List of Abbreviations</b>	
Sq.ft.	Square feet (a measuring unit)
Kms	Kilometres (a measuring unit)
Mn	Million
INR	Indian Rupee
US\$	United State Dollar
DCF	Discounted Cash Flow
DP	Development Planning
EBIDTA	Earnings Before Interest, Depreciation, Taxes & Amortization
FSI	Floor Space Index
FAR	Floor Area Ratio
HABU	Highest and Best Use
PPP	Public Private Partnership
RICS	Royal Institution of Chartered Surveyors
MIOP	Mountainstar India Office Parks Private Limited
MRICS	Member of Royal Institution of Chartered Surveyors
NH	National Highway
SH	State Highway
U/C	Under Construction
WACC	Weighted Average Cost of Capital
NPV	Net Present Value
IRR	Internal Rate of Return
IT	Information Technology
ITeS	Information Technology Enabled Services
DMRC	Delhi Metro Rail Corporation
DC	Data Centre
Cap Rate	Capitalisation Rate
<b>Unit Conversion</b>	
1 Hectare	2.47 acres
1 acre	4046.85 sq. m
1 acre	43560 sq. ft
1 sq.m	10.764 sq. ft



# 1 EXECUTIVE SUMMARY

<b>Property Address</b>	Candor TechSpace IT/ITeS SEZ, Tikri, Sector 48, Gurgaon, Haryana,122018.																						
<b>Description</b>	<p>The Subject Property is a commercial IT/ITeS SEZ office property spread across a plot admeasuring 25.187 acres having a total operational leasable area of 3.69 Mn sq.ft. with a proposed future development of 0.1 Mn sq.ft. Out of the total operational leasable area ~75% area has already been leased out as on the date of the valuation. The entire project comprises of 12 towers including 2 Amenity blocks. The area details of the project are as following:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Leased (Sq.ft.)</th> <th>Vacant (Sq.ft.)</th> <th>Total (Sq.ft.)</th> </tr> </thead> <tbody> <tr> <td>Total Leasable Area</td> <td>27,86,867</td> <td>10,11,499</td> <td>37,98,366</td> </tr> <tr> <td>Constructed</td> <td>27,86,867</td> <td>9,07,615</td> <td>36,94,482</td> </tr> <tr> <td>Future Development</td> <td>-</td> <td>1,03,884</td> <td>1,03,884</td> </tr> <tr> <td>Under Construction</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The Subject Property consists of 5,780 car parking and out of which 3,760 parking space have been allotted and remaining 2,020 car parks are lying vacant.</p>			Particulars	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)	Total Leasable Area	27,86,867	10,11,499	37,98,366	Constructed	27,86,867	9,07,615	36,94,482	Future Development	-	1,03,884	1,03,884	Under Construction	-	-	-
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Future Development	-	1,03,884	1,03,884																				
Under Construction	-	-	-																				
<b>Site Area</b>	Plot Area: 25.187 Acres Leasable Area: 3.8 Mn sq. ft.																						
<b>Registered Owner</b>	M/s. Candor Gurgaon One Realty Projects Private Limited																						
<b>Zoning</b>	IT/ITES SEZ																						
<b>Area Under Valuation</b>	Total leasable area admeasuring of 37,98,366 Sq. ft including future development area of 1,03,884sq. ft																						
<b>Purpose of Valuation</b>	For acquisition of 50% stake by Brookfield India REIT																						
<b>Valuation Approach</b>	Income Approach (Discounted Cash Flow Method)																						
<b>Valuation as of</b>	March 31 <sup>st</sup> , 2023																						
<b>Market Value of the Subject Property</b>	<b>INR 50,378 Million</b> <b>(Indian Rupees Fifty Billion Three Hundred Seventy-Eight Million Only)</b>																						
<b>Market Value of Mountainstar India Office Parks Private Limited (MIOP)</b>	<table border="1"> <thead> <tr> <th>Market Value of MIOP in the Project</th> <th>INR in Mn</th> </tr> </thead> <tbody> <tr> <td>MIOP – NPV as on March 31, 2025</td> <td>1,710</td> </tr> </tbody> </table>			Market Value of MIOP in the Project	INR in Mn	MIOP – NPV as on March 31, 2025	1,710																
Market Value of MIOP in the Project	INR in Mn																						
MIOP – NPV as on March 31, 2025	1,710																						



## 2 DETAILS

### 2.1 Terms of Engagement

On instructions received from Brookprop Management Services Private Limited (the “Client”) and as agreed in our terms of engagement dated 19<sup>th</sup> May 2022, we have conducted inspection of the property and provide our opinion of the Market Value of the Property (as defined hereinafter) in its existing state, for proposed acquisition of 50% stake by Brookfield India REIT purpose only, as on March 31<sup>st</sup>, 2023 (as instructed by the client). Further, Colliers International (India) Property Services Pvt. Ltd. has reviewed the assumptions and the methodologies used for the valuation conducted by ANVI in accordance with applicable standards in the valuation report issued by ANVI.

### 2.2 The Property

The Subject Property is a commercial IT/ITeS SEZ office property spread across a plot admeasuring 25.187 acres having a total operational leasable area of 3.69 Mn sq.ft. with a proposed future development of 0.1 Mn sq.ft. The entire project comprises of 12 towers including 2 Amenity blocks.

The area details of the project are as following:

Particulars	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Total Leasable Area	27,86,867	10,11,499	37,98,366
Constructed	27,86,867	9,07,615	36,94,482
Future Development	-	1,03,884	1,03,884
Under Construction	-	-	-

Source: Client Shared Details

#### Break up of Constructed Area:

Building/ Tower Name	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Amenity I	54,108	16,061	70,169
Amenity II (Club House)	28,061	-	28,061
Tower 1	3,15,812	25,018	3,40,830
Tower 2	3,53,654	27,694	3,81,348
Tower 3	1,67,996	1,41,852	3,09,848
Tower 4	2,71,266	79,558	3,50,824
Tower 5	4,11,187	-	4,11,187
Tower 5A (SEZ Office)	-	40,965	40,965
Tower 6	3,10,797	-	3,10,797
Tower 7	2,97,519	64,582	3,62,101
Tower 8	2,61,331	5,11,885	7,73,216
Tower 9	3,15,135	-	3,15,135
<b>Total Area (Completed/Operational)</b>	<b>27,86,867</b>	<b>9,07,615</b>	<b>36,94,482</b>

Source: Client Shared Details

#### Break up of area earmarked for Future Development:

Building	Leased (Sq. Ft.)	Vacant (Sq. Ft.)	Total (Sq. Ft.)
Tower 11	-	1,03,884	1,03,884
<b>Total</b>	<b>-</b>	<b>1,03,884</b>	<b>1,03,884</b>

### 2.3 Valuation Date

As mandated by the client the date of valuation is March 31<sup>st</sup>, 2023. Due to possible changes in market forces and circumstances in relation to the Property, the report can only be regarded as representing our opinion of the value of the Property as at the date of valuation.



## 2.4 Basis of Valuation

Our valuation is provided on the basis of Market Value, which we define 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 where the parties had each acted knowledgeably, prudently and without compulsion”.

## 2.5 Standards Adopted

The valuation report has been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Global and India valuation professional standards incorporating the International Valuation Standard Council (IVSC) valuation standards.

ANVI Technical Advisors India Private Limited (“ANVI”) and Colliers operate a compliant scheme that complies with RICS requirements, under its’ valuer registration scheme. Details of which are available upon request.

## 2.6 The Valuers

As per the requirement of law and the SEBI Regulations, Independent valuation undertaken by **ANVI Technical Advisors Private Limited**. Colliers International (India) Property Services Pvt. Ltd. has reviewed the assumptions and the methodologies used for the valuation in accordance with applicable standards.

### **Profile of the Company (ANVI Technical Advisors India Pvt Ltd)**

ANVI is the first company in India to get registered with IBBI as a Registered Valuer Entity for Land & Building vide IBBI Registration No. IBBI/RV-E/02/2019/101.

### **Srinivas MVDS (RV - Land & Building, IBBI Reg No. IBBI/RV/02/2018/10035):**

He has more than 14 years of experience in Real Estate Valuations and Construction Industry (more than 11 years in Real Estate Valuations and 3 years in Project Management). He is a Registered Valuer with IBBI (Insolvency & Bankruptcy Board of India in Land & Building vide IBBI Registration No. IBBI/RV/02/2018/10035, IOV (Institution of Valuers) and is a member of Professional Institutions like RICS (Royal Institute of Chartered Surveyors), Chartered Engineer (The Institution of Engineers, India).

**Arvind Rai** has a professional experience of over 13 years in the field Real Estate Valuation. He has a hand-on experience in valuation of all forms of real estate asset classes including residential, commercial, retail, hospitality, industrial, institutional, warehousing etc. primarily in Northern & Western India. Arvind has also the experience of undertaking litigation support cases. Arvind is M. Tech in Planning with specialization in Housing.

**Ajay Sharma**, MRICS, FIV. Ajay holds a bachelor’s in architecture degree and a Post Graduate Diploma in Advanced Construction Management and has over 14 years of real estate consulting and valuation experience across various asset classes. Ajay has provided valuation and advisory services to diverse range of clients in areas of purchase price allocation, (pre and post) accounting related valuations (IFRS, IAS, IndAS), lending-based valuation, valuations under liquidation and SARFESI and asset monetization related valuations. Further, Ajay has undertaken significant advisory work for Smart City projects, infrastructure projects, business strategies and monetization.

The above-mentioned appraisers have accepted instructions to value and assist in the valuation of as applicable the Subject Property only for the Client. They have no pecuniary interest that could reasonably be regarded as being capable



of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the Property.

## 2.7 Inspection and Investigations

Inspection of the Subject Property adequate for the purpose of this study was carried out by Lalit Jain, on April 11<sup>th</sup>, 2023. Discounted cash flow analysis has been done as of March 31<sup>st</sup>, 2023, basis the updated information and date received.

### List of Information provided by client's representative:

A checklist of information required for this valuation assignment was requested to the client's representative, before & after the site inspection. Information provided by the client representative:

- Existing rent roll for G1 as on March 31<sup>st</sup>, 2023
- Details of applicable CAM models comprising of CAM charges and CAM Cost
- Details of cost to complete as of Q1 2023
- Summary of Property Tax Payable for FY 2020-21 and FY 2021-22.
- Other Income details for year 2019-20, 2020-21, 2021-22 and 2022-23

We confirm that we have made relevant enquiries and obtained such information that we consider necessary to conduct the valuation. Investigations have been conducted independently and without influence from any third parties in any way. The information used for this report has been obtained from sources including the Client, publicly available information, our internal database, and has been verified. Details of Client's representative who provided details of subject site are provided below:

**Name:** Mr. Amit Jain

**Contact No:** +91-9910060685

No structural survey or environmental survey has been carried out. Services and facilities have not been tested.

## 2.8 Caveats and Assumptions

This report is subject to and includes our Standard Caveats and Assumptions as set out in the appendices at the end of this report, as well as our agreed terms of our engagement.

Please note the report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. It has been informed by the Client that access to this report shall be provided to statutory authorities, appointed third party consultants and/or auditors of the Client. The registered valuer and Colliers both consent to provide access to this report but will have no liability to any third party other than the Client. The whole nor any part of the valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except for the purposes mentioned above and/or with the prior written approval of ANVI and Colliers as to the form and context in which it may appear.

ANVI and Colliers shall at all times keep all information relating to this valuation report confidential and not release it to third parties, without the written consent of the client. ANVI and Colliers further confirm that their directors, employees, associates involved in this engagement shall comply with the Unpublished Price Sensitive Information ("UPS")



framework under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including its amendments.





## 3 CITY OVERVIEW – NCR

### 3.1 Introduction

Delhi - National Capital Territory (NCT), the capital of India, is a part of the National Capital Region (NCR) and it is centrally located of NCR cities. The city, classified as one of the fastest growing metropolitan cities of the country, is located on the banks of river Yamuna. Major highways passing through Delhi and offering super connectivity to the various economic centres in the surrounding states, thus facilities trade and finance. Major National Highways (NH) such as NH-2, NH-8, NH-9, NH-10, NH-24 and NH-34 interconnects to the NCR cities and connects the capital city to prominent areas in central directions. A part of the National Highways, the outer ring road and inner ring road are major roads of the city to providing easy commute within the city limits.

### 3.2 Delhi Demographics

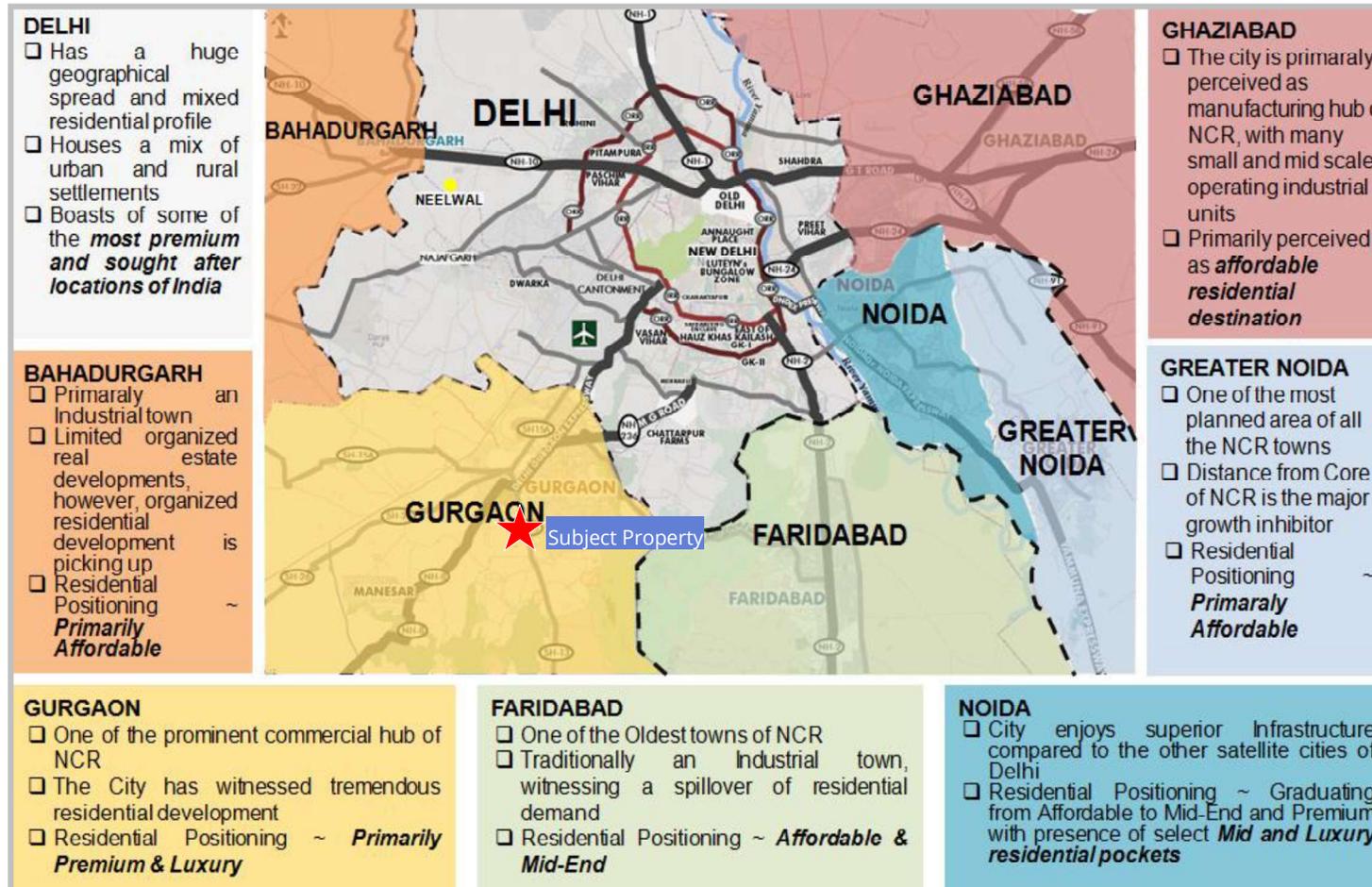
As per Census 2011, the total population of Delhi is 16,787,941 of which male and female are 8,987,326 and 7,800,615 respectively. In 2001, total population was 13,850,507 in which males were 7,607,234 while females were 6,243,273. The Delhi has recorded population growth in this decade is 17.5% with the comparison of 2011 to 2001. Delhi is accounted higher per capita income INR 3,03,073 as per GSDP (nominal) in union territories (UT) followed by Goa and Chandigarh.

Key Demographics		
Parameters	Census 2011	Census 2001
Population	16,787,941	13,850,507
Population Decadal Growth Rate (2001 to 2011)	17.5%	46.31%
Sex Ratio	869 females per 1,000 males	821 females per 1,000 males
Literacy Rate	86.21 %	81.67 %
Area in sq.km.	1,483	1,483
Density/km <sup>2</sup>	11,320	9,340



## 3.3 NCR Micro Market Positioning

Map of NCR Markets Positioning and Developments



Source: Colliers Research

### 3.4 Snapshot of Delhi-NCR Micro Markets Growth and Evolution

**Delh-NCR Growth and Evolution of Micro Markets**

Map of NCR Growth and Evolution



Micro Markets	Micro-market Synopsis
<b>Central Delhi</b>	<ul style="list-style-type: none"> <li>Political and administrative district of India due to the presence of the Indian Parliament and the various ministries.</li> <li>Characterized by presence of diplomatic missions, star category hotels, clubs and major international schools</li> <li>Connaught place is a prominent high street</li> </ul>
<b>North Delhi</b>	<ul style="list-style-type: none"> <li>The area encloses congested market places like Paharganj and the Delhi University.</li> <li>Mixed population across various income categories</li> <li>Limited retail developments witnessed in this area</li> </ul>
<b>South Delhi</b>	<ul style="list-style-type: none"> <li>The affluent profile of the residents offers immense opportunity to the thriving retail markets</li> <li>Has presence of prominent mall developments such as DLF Promenade, Emporio, Select City Walk, Ambience Mall, etc.</li> </ul>
<b>East Delhi</b>	<ul style="list-style-type: none"> <li>One of the most densely populated areas of Delhi</li> <li>However, population strata is low – mid end which has led to limited success of retail developments in the region due to lower disposable incomes</li> </ul>
<b>West Delhi</b>	<ul style="list-style-type: none"> <li>Predominantly residential catchment for mid - high level housing.</li> <li>High population concentration</li> <li>Rajouri Garden is a prominent micro market for malls and high street</li> </ul>
<b>Gurgaon</b>	<ul style="list-style-type: none"> <li>Proximity to Delhi, international airport and favorable government initiatives has made Gurgaon one of the most prominent IT/ITES hubs in India</li> </ul>



	<ul style="list-style-type: none"><li>• The growth across sectors has led to a demographic shift towards a younger, more cosmopolitan, affluent and better educated population driving the demand for commercial, residential and retail real estate</li><li>• Pioneered the shopping malls concept in NCR and continues to provide organized retail development possibilities</li></ul>
<b>Noida</b>	<ul style="list-style-type: none"><li>• Considered to be one of the better planned suburbs of Delhi with high residential base</li><li>• Emerging as an IT destination, NOIDA commercial market is driven by various IT &amp; ITES companies as well as media houses.</li><li>• Sector 18 Atta Market continues to be the prominent high street market while Great India Place, Galleria and DLF Mall of India are prominent organised mall developments in Noida city.</li></ul>
<b>Ghaziabad</b>	<ul style="list-style-type: none"><li>• Limited presence of retail developments and retail brands</li><li>• Lack of quality developments</li><li>• Most of organized retail is concentrated in malls</li></ul>
<b>Faridabad</b>	<ul style="list-style-type: none"><li>• A prominent industrial hub having presence of many small scale industries and auto showrooms.</li><li>• Limited presence of organized retail developments</li><li>• Does not have defined or continuous stretches of high streets</li><li>• Limited brand presence</li></ul>

Source: Colliers Research

### 3.5 Infrastructure of Delhi NCR

Master plan of Delhi has proposed urban extension and winding of Delhi existing infrastructure and centrally connected through the Delhi NCR metro lines. The Delhi Development Authority is undertaking for the infrastructure and transportation strategic and planning development in the city along with concerned agencies such as MCD, NDMC, GNCTD, PWD, DMRC, NHAI and Ministry of surface transport etc.

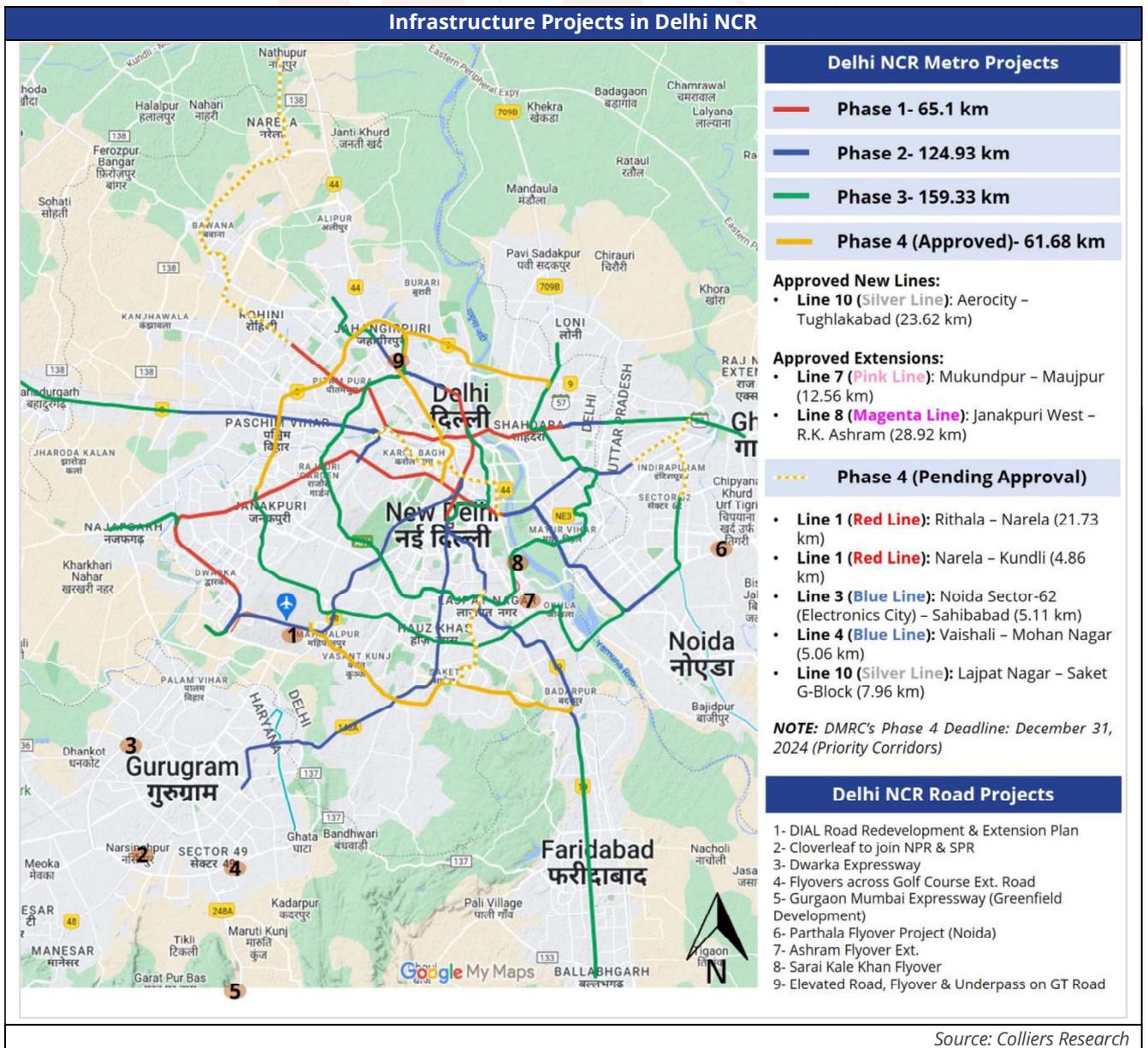
- Central government also supporting to Delhi NCR for infrastructure development with the states government to boost connectivity and provide international class infrastructure to Delhi NCR.
- Delhi is centrally connected through the DMRC Metro lines and providing very good support for transportation to the daily commutes and travellers to across NCR micro markets.

DDA is very actively working on transportation and infrastructure development and the key developments are highlighted below.

- To develop and strengthen a reliable, efficient, and attractive multi modal public transport system for Delhi to minimize gap between demand and supply by capacity increase of urban transport.
- To revitalize the movement in the old city.
- To generate conditions for safe usage of bicycles.
- To establish safe pedestrian movement.
- To encourage innovative techniques, management etc to resolve transport problems of the city by adopting environmentally and economically acceptable approach.
- To reorganize and restructure transportation fabric in light of the option and choice.



- Synergy between land use, transport and urban economy to conserve urban transport through balanced development and strategies.
- MRTS, System for intra-city passenger movement consisting of underground, surface and elevated, D.M.R.C. has drawn up proposals for various MRTS Routes in Delhi. Work is under progress at full swing. Shahdara - ISBT corridor has already started functioning.
- Modernization of Nizamuddin, Old and New Delhi Railway Station
- Major upcoming infrastructure is North East corridor of NHAI connecting NH1 and Wazirabad road to Ghaziabad (Master plan road no. 59) and Connecting Road between Dwarka and Rohini from NH-8.
- Delhi NCR is very well connected to the major roads and metros connectivity.

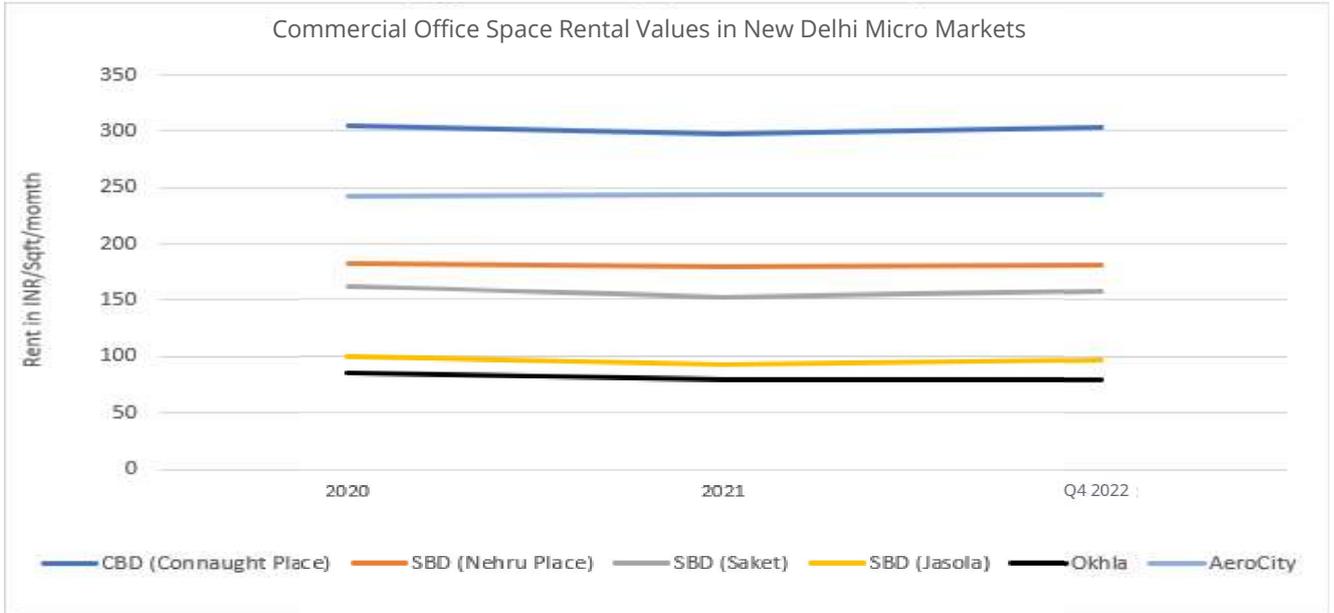




## NCR Commercial Office Space Market

Delhi NCR is one of the prime office destinations across the country. It consists of New Delhi, Gurgaon, Noida and Greater Noida. NCR market well plays a vital role in the office market of the country. NCR market attracts to the corporate sectors due to headquarters of Governing bodies and Indian ministries. It is favourable market by both National and International companies due to decision makers, policies makers and essential business environment along with skilled manpower.

In Delhi NCR, Central Business District (CBD) of Connaught place is a heart of the NCR regions. As per market research and survey Connaught Place is the seventh most expensive destination in the world. Followed by Mumbai's Alternative Business District of Bandra Kurla Complex (BKC) and Central Business District of Nariman Point is stood on 19th and 34th position respectively.



Source: Colliers Research

**Statistics - Commercial Office Space in Delhi - NCR as of Q4-2022**

Parameters	Total Stock as of Q4-2022 (Mn sq. ft)	New Upcoming Supply in 2023 - 2025 (Mn sq. ft)	Net Absorption in Q4-2022 (Mn sq. ft)	Vacancy Rate as of Q4-2022 (%)	Avg. Rent (INR/sq. ft/month)
Q4-2022	126.6	43.8	4.3	20.4%	91.6

Source: Colliers Research

Leasing activity to gain further momentum in 2023 as employers plan for a gradual re-entry:

- We expect leasing activity to gain further momentum in 2023 as employers plan for a gradual re-entry amid a significant decline in Covid infections

**Leasing activity to increase in 2023**

Increase
- About 1.8 million square feet of supply is scheduled to be completed by the end of 2022, some of which may be deferred due to oversupply in some micro-markets.

**Significant supply pipeline**

Increase
- Vacancy levels are likely to decline from the current levels led by a spurt in leasing due to pent up demand

**Vacancy levels are expected to drop**

Decrease
- We expect rents to start increasing by Q1 2023, due to a pickup in demand. Micro-markets like Noida Expressway, Sector 62, Golf Course Road are likely to witness an increase in rents due to limited vacant stock and high demand

**Rents to firm up in 2023**

Increase

Source: Colliers Research



**Leasing Rental in NCR business districts**

Business district	Rental value range in Q4 2022 in INR/sq. ft/month	12-month change
CBD Delhi (Connaught Place)	115-425	2%
SBD Delhi (Nehru Place)	150-200	1%
MG Road, Gurgaon	95-130	2%
Cyber City, Gurgaon	115-120	3%
Sohna Road, Gurgaon	<b>55-85</b>	<b>3%</b>
Sector 16A & 16B, Noida	70-125	1%
Noida Expressway, Noida	44-80	1%

Source: Colliers Research





**Below is the Snapshot on Delhi NCR Commercial Standard Commercial Lease Terms**

Particulars	Details
Lease Term	9 Years: 3+3+3 (Initial term of 3 years with renewal options for Lessee of additional two terms of 3 years each)
Lock in Period	3 years for Bare / Warm Shell facility 3 - 5 years for 'Plug and Play' facility
Rent Free Period	Typically, between 2 – 3 months from Lease Commencement Date/handover of Premises
Escalation	15% after every three years (applicable on base rent, related deposit, and maintenance charges)
Car Park Ratio	1 Car Parking slot for every 1,000 sq feet leased
Car Parking Charges	Ranges between INR 3500 – 5000/Slot/Month (In some cases, parking charges are inclusive in base rent)
Termination	Termination rights with Lessee with 3 - 6 months advance notice
Sub lease Rights	Only to affiliated / sister concerns / third Party after approval of the Lessor
Taxes	Property Tax: Payable by Lessor GST: Payable by Lessee
Stamp Duty & Registration Charges	Typically, payable by Lessee

*Source: Colliers Research (Q4-2022 update)*

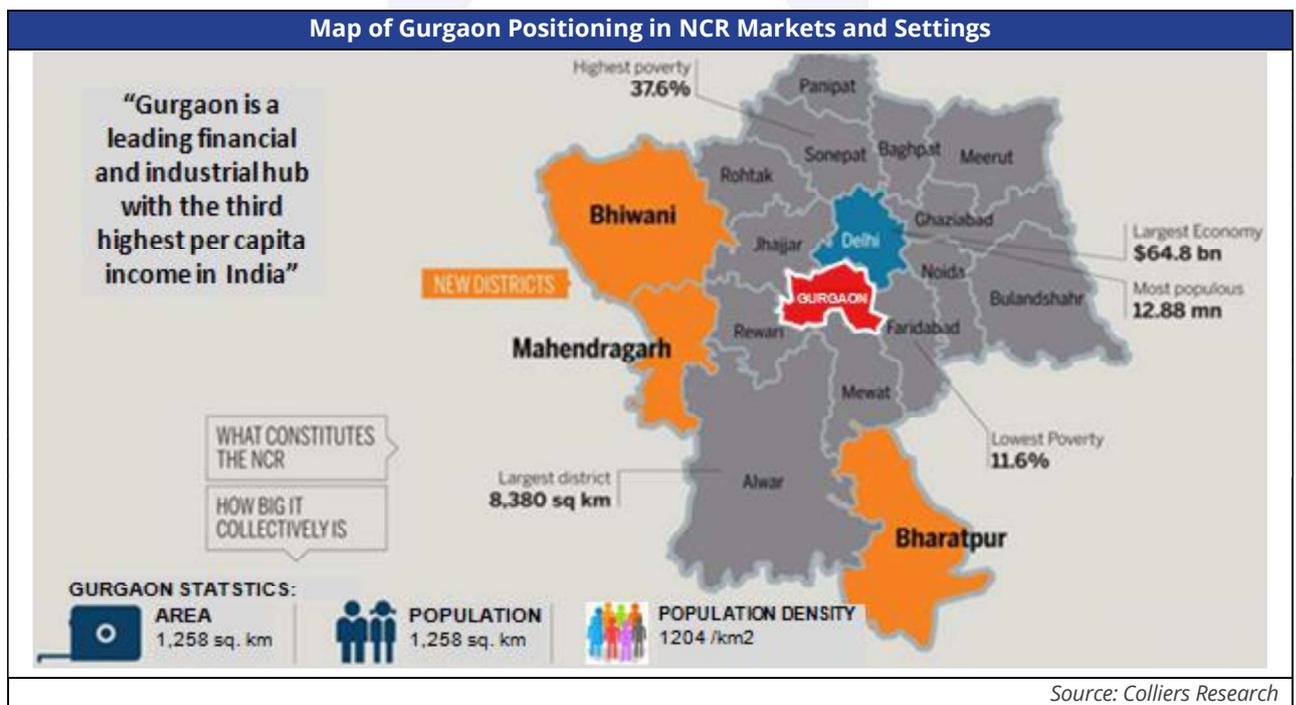
### 3.6 Gurgaon Micro Market Overview

Gurgaon is one of the most rapidly developing suburbs of Delhi. Gurgaon located in the economically dynamic National Capital Region lies close to the International and the Domestic Airport of Delhi. The city has grown from a primarily agricultural belt to an industrial corridor and now into one of the most prominent commercial hubs of NCR. The initial factors for the growth of the city included favourable tax policy by the Haryana government, improvement in city's infrastructure by Haryana Urban Development Authority and the need of a business centre close to Indira Gandhi International Airport.

Over the past 2 decades, the transition from industrialization to corporatization has also led to an upsurge in demand for residential, retail and hospitality sectors. The city and its adjoining areas have remained the focus of investor segment in the NCR due to the plethora of offerings in real estate. It is one of the most dynamic markets, and property prices along all verticals of real estate viz. commercial, residential and retail continues to appreciate in the region.

Though the market is also driven by speculation, investments in Gurgaon remain stable owing to continued entry of commercial set-ups in the region. Major contributing factors for the growth being:

- Perception of Haryana being a progressive state by investors and developers.
- The better quality of real estate on offer in Gurgaon. The low cost of quality real estate, of both commercial and residential, as compared to Delhi.
- Availability of large office spaces of international quality construction for the MNC's and corporate sector.
- Availability of International quality residential developments in all typologies viz. Integrated complexes, apartments, villas, plotted development, condominiums etc.
- Proximity to Domestic and International airports.

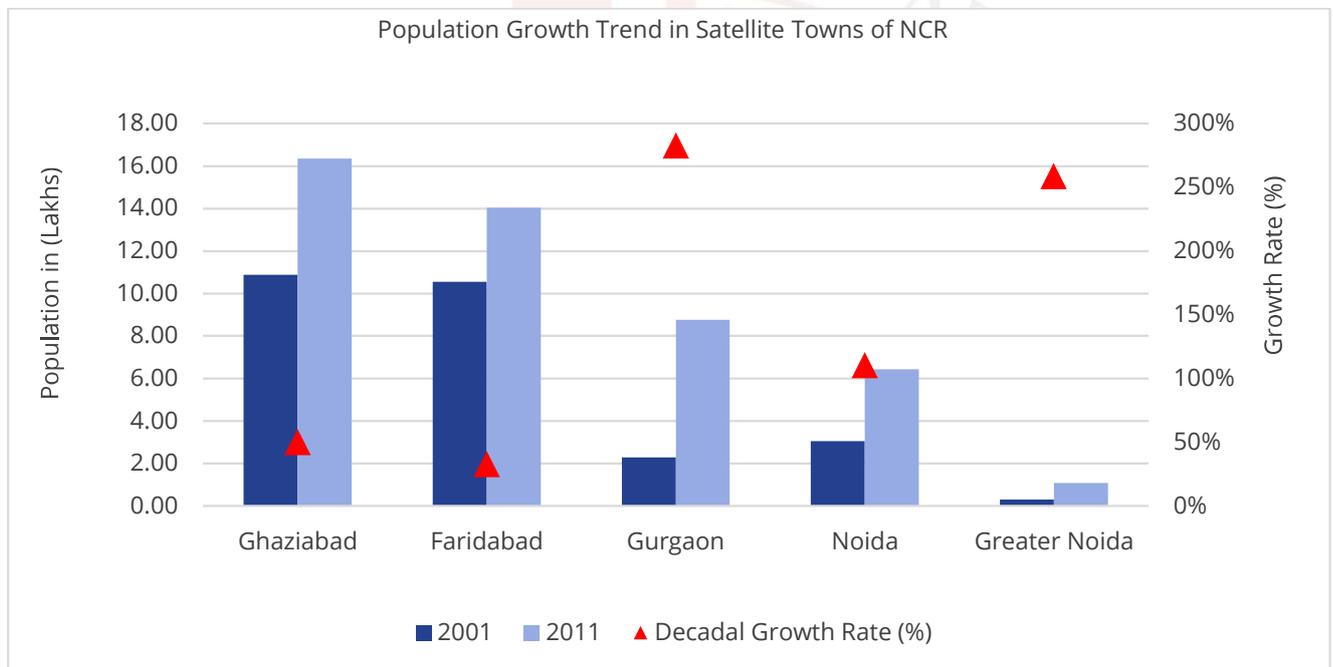




### 3.7 Demographic Overview

Gurgaon city is strategically sharing boundary to NCT Delhi and profits from excellent connectivity and regional settings with respect to NCT. The city is witnessing rapid urbanization driven by this proximity, influx of setups of major corporate and industrial giants, development of IT sector and strong government backup. The city has well developed social infrastructure and offers a conducive lifestyle to its residents. These factors have contributed towards eliciting interest from corporate as well as real estate players to Gurgaon. The same is reflected in decadal growth rate of population and increased density of the population.

As per Census 2011, Gurgaon city has witnessed maximum urban decadal growth rate of 289% in NCR and followed by Greater Noida and Noida. Gurgaon is the centre of Gurgaon District and falls under sub-division Gurgaon North of the city. While the Municipal Council of Gurgaon (MCG) was established in 2008, elections to the same were held for the first time in Q2 2011. The MCG divides Gurgaon into four zones for administrative purposes – the east, west, north and south zones.

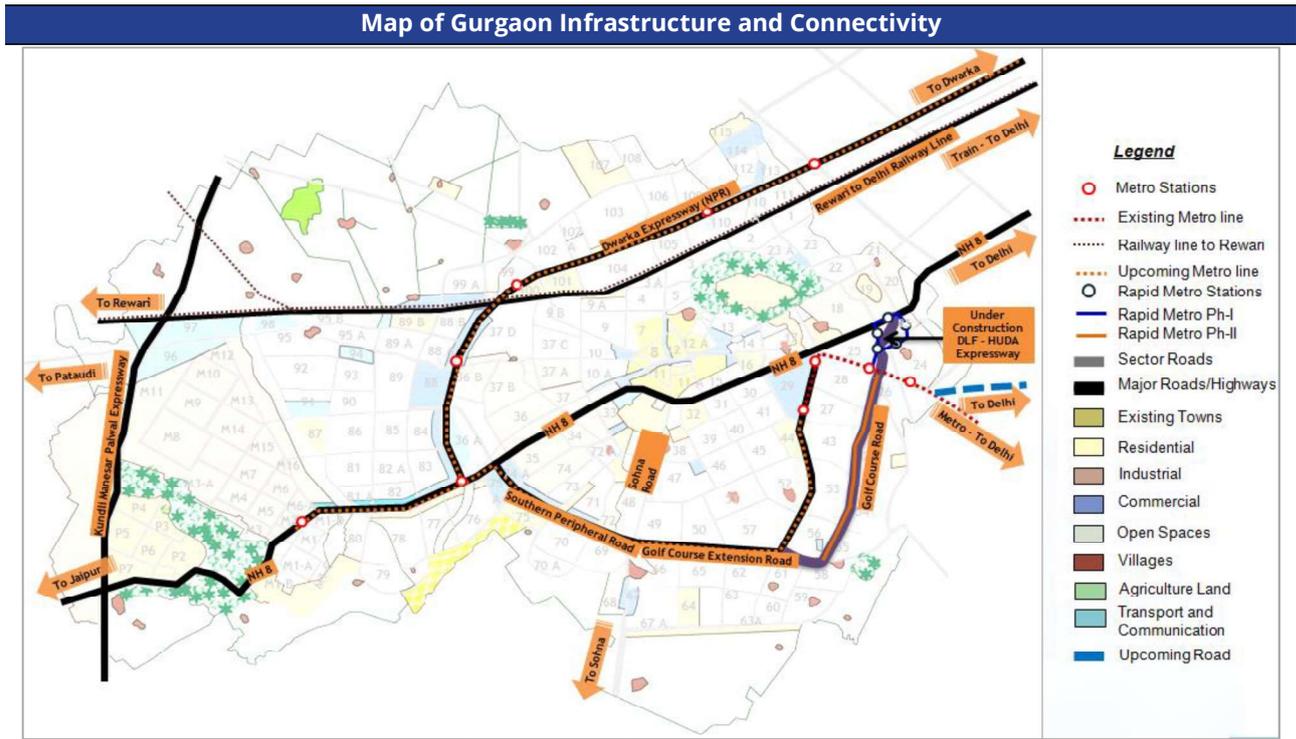


Source: Census 2011

Key Demographics Facts	
Location	28.47722, 77.02270, Southwest of the national capital New Delhi
City Area	1,253 sq. Km
Total Urban Population	15.14 Lakhs
Decadal Growth Rate	73.96 %
Density/ Km2	1241
Sex Ratio (Per 1000)	854
Literacy Rate	84.70 %
Per Capita Income	INR 4.6 Lakhs
Key Industries	IT/ ITES, SEZ, Textiles, Engineering, Automotive

Source: Gurgaon.govt/about-district/demography

### 3.8 Infrastructure Overview



Source: Colliers Research

#### Key Infrastructure Initiatives and Connectivity

##### Delhi Metro: Operational Since December- 2002

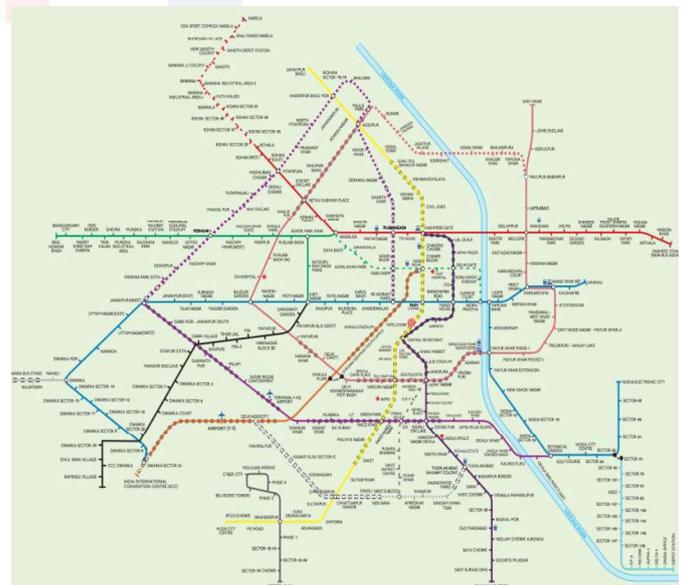
Delhi metro is a mass rapid transit (MRT) system serving Delhi and its satellite cities of Ghaziabad, Faridabad, Gurgaon, Noida, Bahadurgarh and Ballabhgarh, in the National Capital Region of India. With a constructed network of 390.14 Km with 286 stations (including Noida-Greater Noida Corridor and Rapid Metro, Gurugram), the Delhi Metro is the largest and busiest metro network in India.

**Phase-I, II & III** network is consisting of 10 colour-coded lines serving 254 stations with a total length of 348.12 kilometres (216.31 mi).

**Phase-IV** The construction of Phase IV was formally started on 30 December 2019. Currently, it is under construction as and expected to be completed by 2025 and the details of corridor are tabulated follows:

Corridor under Implementation	Length (KM)	Stations
Janakpuri West- R.K. Ashram	29.26	22
Tughlakabad- Delhi Aerocity	23.62	16
Majlis Park- Maujpur	12.32	8
Total	65.20	46

Source: DMRC- Dec-2021 Update



## Key Infrastructure Initiatives and Connectivity

Corridor under Consideration	Length (KM)	Stations
Rithala- Bawana- Nerala	21.73	16
Inderlok- Indraprastha	12.57	10
Lajpat Nagar- Saket G Block	7.96	7
Total	42.26	33

Source: DMRC- Dec-2021 Update

Additional Corridors (under consideration)	Length (KM)	Stations
Aerocity-IGDT-1	2.26	-
Kirti Nagar- Bamnoli Village (METROLITE)	19.09	21
Total	21.35	21

Source: DMRC

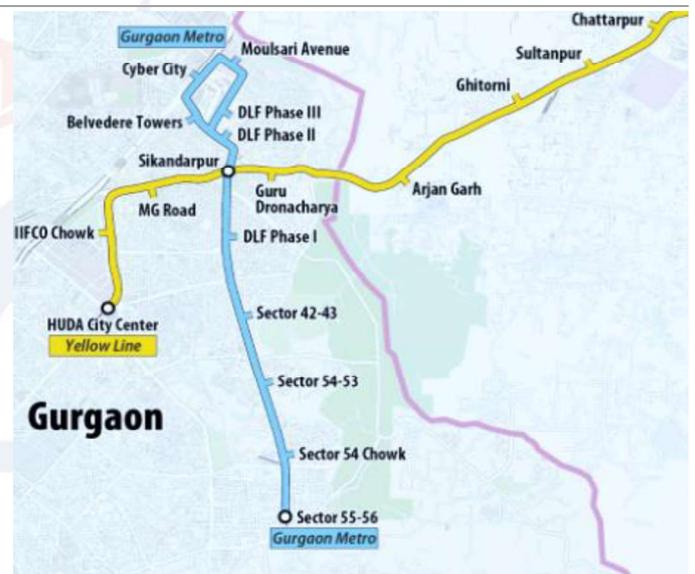
### Rapid Metro: Operational Since November- 2013

Rapid Metro Rail Gurgaon Limited is an intra-city metro system of Gurgaon linked with the Delhi Metro system's Yellow Line at Sikandarpur. The planned route for Rapid Metro will act as a feeder to the DMRC's Jahangirpuri-Central Secretariat-HUDA City Centre (Yellow Line). Total length of 12.85 kms line & 11 stations present on line.

The project has been divided into following phase,

**Phase I** - A network of 5.1 km connecting Cyber City, NH-8 & Sikanderpur station (DMRC)

**Phase II** - A network of 7 km along Golf Course Road connecting Sector 55-56 to Delhi Metro at Sikanderpur.



### Railway Network

Gurgaon railway station is operated by Northern Railway of Indian Railways. The rail station forms a part of the larger Indian Railways network. Along with that, Gurgaon has Tajnagar railway station, Dhankot railway station, Ghari Harsaru Railway Junction and Farrukhnagar Railway Station, Patli Railway Station. Under Modernization of Railway Station, Indian Railways is modernizing four railway stations in Gurgaon. Gurgaon railway station, Ghari Harsaru Railway Junction and Farrukhnagar Railway Station will be developed and modernized with modern amenities and international facilities.

Recently, Ministry of Railways, GoI announced project to upgrade Gurugram City Railway Station which includes the construction of a fourth railway platform, expanding the existing platforms, increasing the number of entry and exit points of the station (there is only one at present) and decongesting the approach road to the station. Granting approval for beautification and infrastructure development of the railway station. Currently, the project is under consideration status.



## Key Infrastructure Initiatives and Connectivity

### Airport Connectivity

Gurgaon is served by Delhi's Indira Gandhi International Airport, which is located just outside of Gurgaon city limits near National Highway 8.

Indira Gandhi International Airport is the primary international airport serving New Delhi, Delhi, India as well as the rest of northern India. This airport is spread over an area of 5,106 acres (2,066 ha) and situated in Palam, New Delhi.

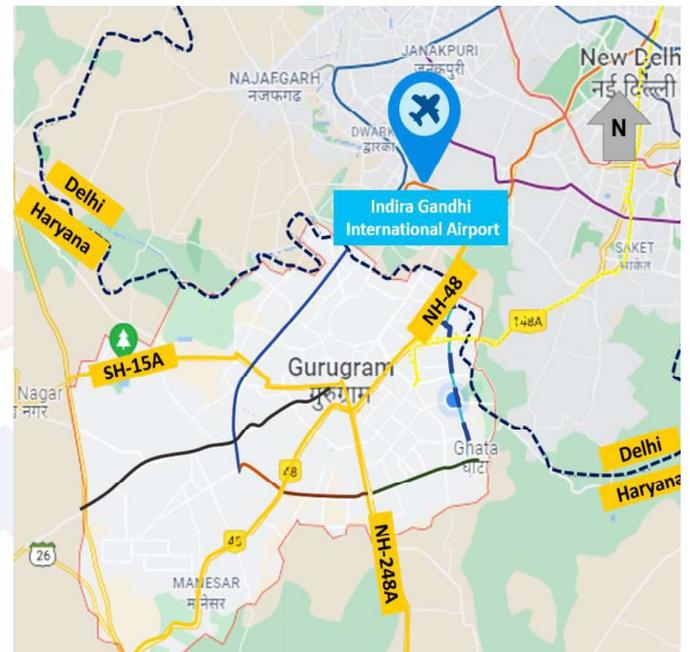
IGI Airport serves as a major hub or a focus destination for several Indian carriers including Air India, Air India Regional, IndiGo, Spicejet, GoAir, and Vistara. Approximately 80 airlines serve this airport. At present, there are three active scheduled passenger terminals, a dedicated Hajj terminal, and a cargo terminal.

IGI is divided into three terminals for smoothly operation of Domestic and International flight.

**Terminal-1:** It is temporarily used for low-cost carrier Spicejet. Delhi International Airport Limited (DIAL) has completed refurbishing work in September 2021.

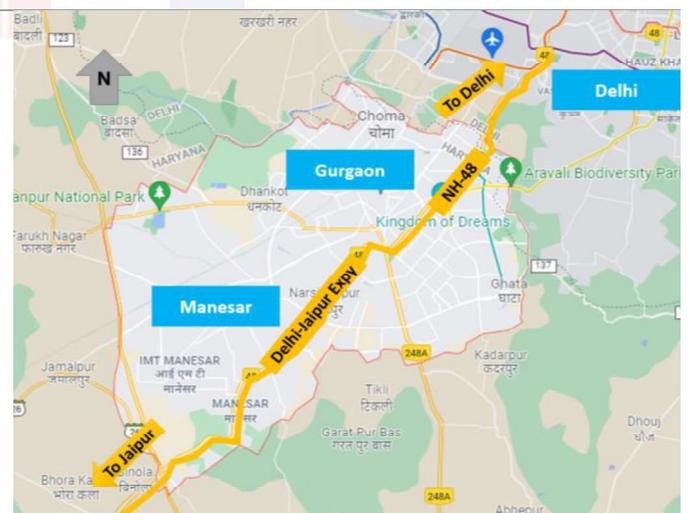
**Terminal-2:** In 2017, DIAL done revamping the terminal and shifted operations of Go Air to the termina in order to continue expansion work of Terminal-1.

**Terminal-3:** It is used for international flights. The Indian carriers operating international flights are Air India, Indigo, Spicejet, GoAir, and Vistara.



### National Highway-48 (Delhi – Jaipur Expressway)

The repair work and reconstruction in 225 km long Gurgaon - Jaipur highway. It comprises 64 km long Haryana portion, 161 km long Rajasthan portion and construction of 15 new structures to resolve the frequent issue of traffic congestion on the Highway. The cost of all these works is Rs. 913 crores.

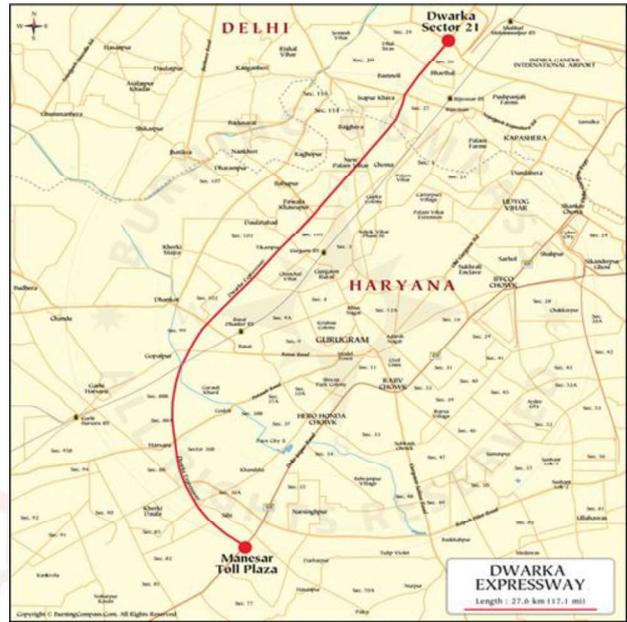


## Key Infrastructure Initiatives and Connectivity

### Dwarka Expressway: Under Construction

The 19 km Gurugram section of the 29-kilometre Dwarka Expressway connecting Mahipalpur in New Delhi with Kherki Dhaula in Gurugram is expected to be completed in 2023-24. Some portions of this stretch are already operational.

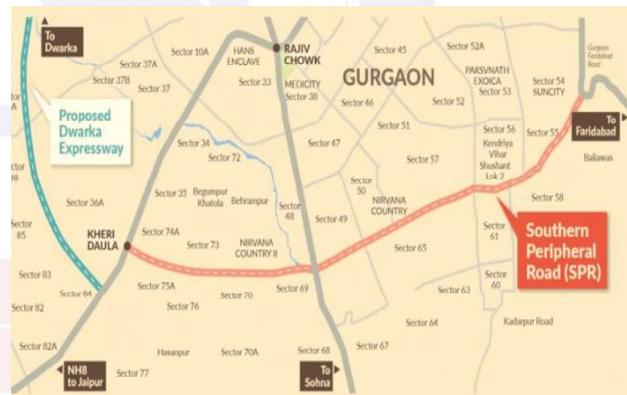
Dwarka Expressway starts from Shiv-Murti on NH-8 (Delhi-Gurugram expressway) and ends near Kherki Daula Toll Plaza, through Dwarka Sector 21, Gurugram border, and Basai. 50%-60% of the vehicles on NH-8 will be diverted onto the new expressway, easing the congestion towards Sohna Road, and Golf Course Road. The estimated cost of the project, under the Union government's flagship Bharatmala Project, is Rs 9,000 crore. It is a 16-lane access-controlled highway with the provision of a minimum 3-lane service road on both sides.



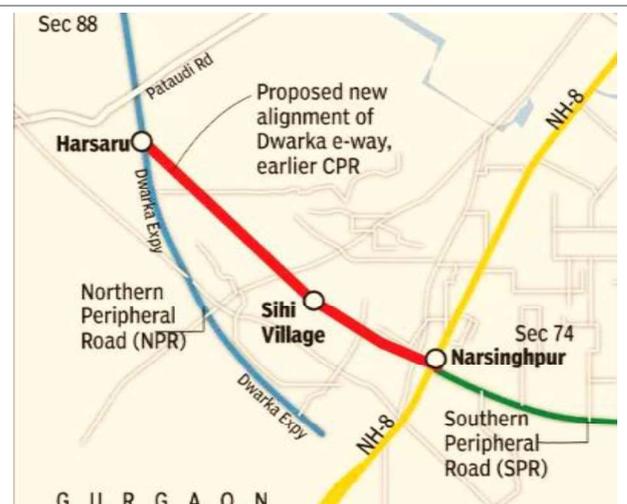
### Southern Peripheral Road (SPR): Operational

Southern Peripheral Road offers excellent connectivity to Delhi and its adjoining areas. SPR is well connected to Golf Course Road as well as NH-8 and Mehrauli Road. The redevelopment of Southern Peripheral Road (SPR), which will include the construction of eight flyovers, footpaths, and cycle tracks, is likely to be complete only by mid-2025.

The proposal involves the construction of a six-lane main carriageway with 3 lanes on either side and 6-lane service roads (3 lanes on each side) on both sides of the carriageway. The critical 12km road connects three national highways - NH-8, Gurugram - Alwar expressway and Gurugram -Mehrauli expressway. It is also expected to provide connectivity to the Dwarka Expressway through a cloverleaf interchange that is currently under construction.



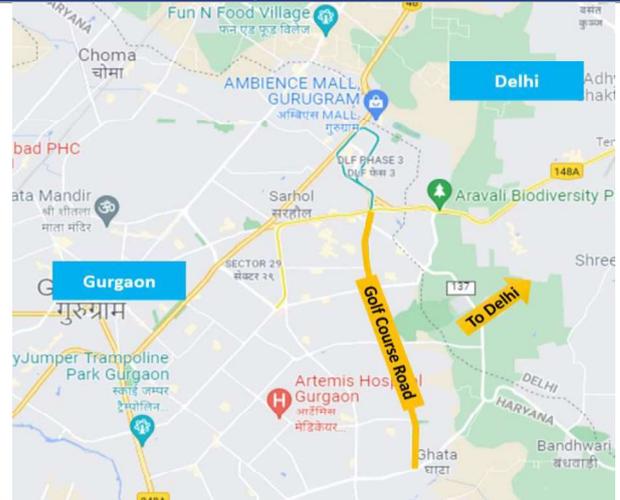
**Central Peripheral Road (CPR):** The CPR starts from a place close to the Kherki Daula village and meets NPR near Harsaru village. The construction of SPR is nearing completion, which has necessitated expediting the work on CPR that connects SPR with NPR, also known as Dwarka Expressway.



## Key Infrastructure Initiatives and Connectivity

### Golf Course Road: Operational

The area is well-connected through Golf Course Road, MG Road and Golf Course Extension Road. Also, the whole corridor of Golf Course Road has multiple rapid metro stations which easily connects this area with Sikanderpur metro station on Yellow Line, further boosting connectivity. IGI Airport can be accessed in about 20-25 minutes due to signal free road after construction of several underpasses on Golf Course Road.



### Golf Course Extension Road: Operational

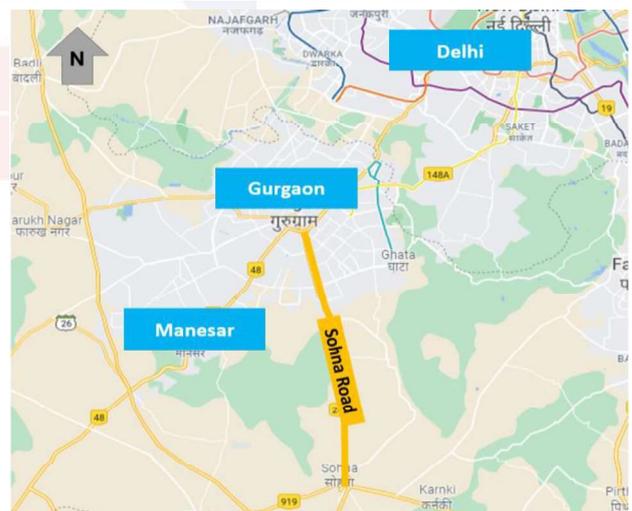
It connects Gurgaon-Faridabad Road with the Badshahpur Crossing and further extends to meet NH-48 near Sector 74A. The Golf Course Extension Road area is well connected with NH-48, which further extends its reach to the distant parts of Gurgaon and New Delhi.



### Sohna Road: Operational

Sohna Road is spread across Rajiv Chowk near NH-48 in Gurgaon right up to Sohna city in the south.

In July 2022, The 22 km long Sohna elevated road was opened for traffic. A stretch of the elevated road from Subhash Chowk to Badshahpur was opened to commuters. Gurgaon Sohna National Highway has been developed to six-lane access-controlled corridor with aggregate elevated section of about 7 km at a capital investment of about Rs 2000 crore. This section would also provide connectivity to Delhi and Gurgaon through Delhi-Mumbai expressway.

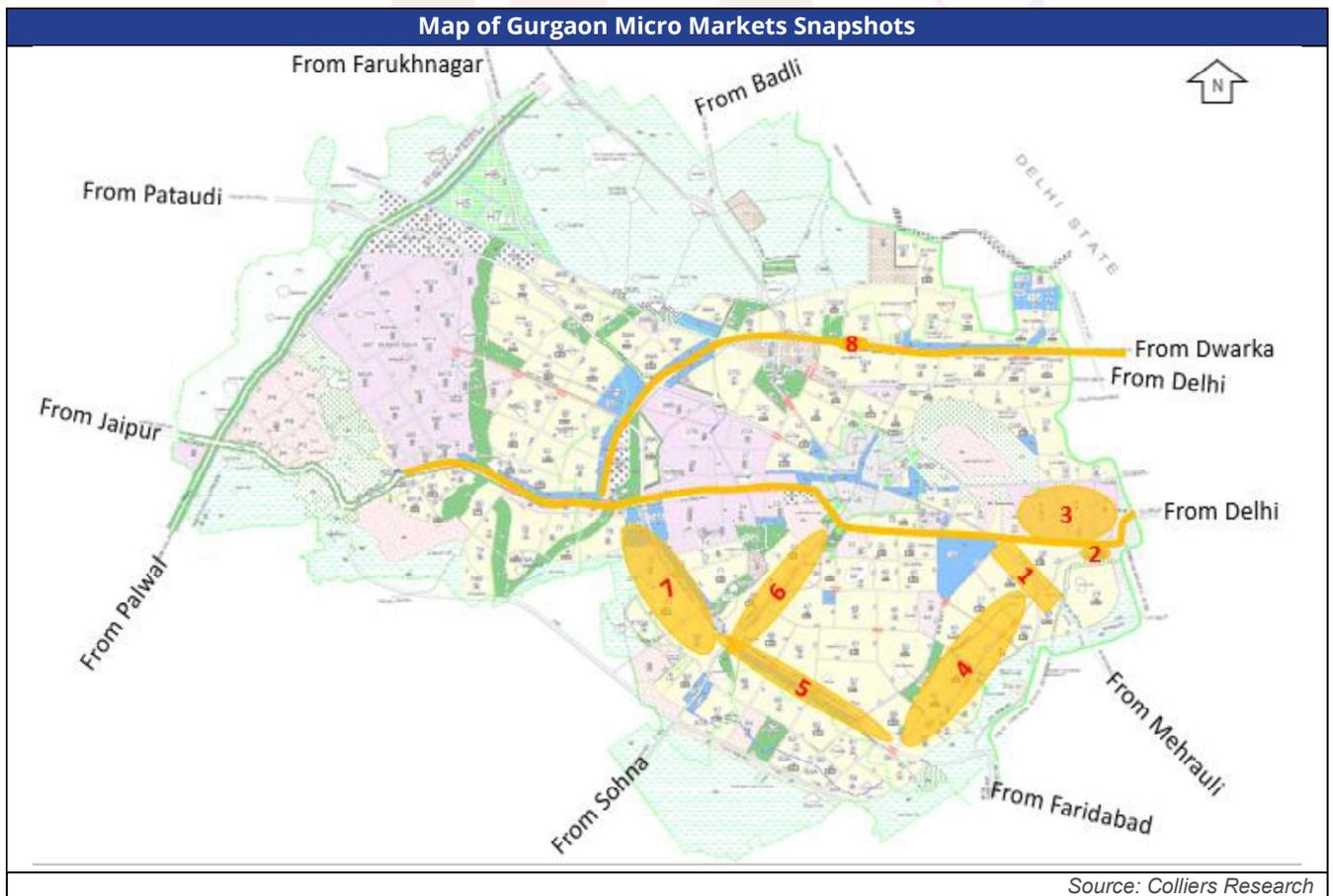


Source: Colliers Research

### 3.9 Gurgaon Commercial Micro Market Overview

Gurgaon, a notable commercial office market in Delhi-NCR and India, has seen substantial demand from IT-BPM, manufacturing, and engineering firms. Gurgaon, office space rentals are ranging between INR 55-180 per square foot per month. Global corporations are flocking back to India due to the improving business environment and increased ease of doing business, and the future sure seems bright.

A sizable proportion of premium Grade A office space (commercial & IT/ITeS) is situated along National Highway 8, Cyber City, Golf Course Road and M.G. Road, and these micro-markets are perceived as the active commercial destination of the city. Factors that have be attributed in favour of this location, are proximity to airport, proximity to New Delhi, existing Delhi Metro network and operational Rapid Metro network that initiating from Cyber City and terminating at Sector 56 intersection. Institutional sectors 32 & 44 witness healthy occupancy rates and rentals. This micro-market primarily house standalone commercial developments, most of them are BTS building and entirely occupied by a single tenant. In contrast to the above cited micro-markets, developments along Golf Course Ext. Road, later stretch of NH8, and Sohna Road attain lower level of occupancy and rentals.





Regions	Key Micro-markets Covered	Micro-market Snapshot
1	M.G. Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial</li> <li>Considered as CBD of Gurugram. Connects Mehrauli in Delhi to IFFCO Chowk on NH8 in Gurugram.</li> <li>Mix of commercial and retail on both side of the road and is mostly preferred by BFSI and MNCs for their corporate offices</li> </ul>
2	Cyber City	<ul style="list-style-type: none"> <li>Designated Zone: Technology and IT-SEZ</li> <li>Modern office building cluster developed by DLF.</li> <li>Has presence of fortune 500 companies like KPMG, BT, Mercer, Microsoft, AMEX etc</li> </ul>
3	NH-48 and Udyog Vihar	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, Technology, Institutional and Industrial</li> <li>Udyog Vihar –Micro market with Industrial and Technology zoning having more than 1200 industrial and IT/ITeS units, spread over 730 acres in area. Udyog Vihar is divided into five phases.</li> <li>Provides excellent connectivity to other parts of Delhi NCR.</li> </ul>
4	Golf Course Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial</li> <li>Named after the DLF Golf Course in Sector 42, the sectors around Golf Course Road are a mix of high-end residential and commercial buildings</li> <li>Well connected with arterial roads such as MG Road and NH-8</li> </ul>
5	Golf Course Extension Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, Technology &amp; IT SEZ</li> <li>GKER is also a destination for luxurious and mid segment residential projects</li> <li>Good connectivity to Golf Course Road, MG Road, Sohna Road and Faridabad</li> </ul>
6	Sohna Road	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, IT/ITES &amp; IT SEZ</li> <li>Dotted with mid-sized corporate offices and IT companies.</li> <li>Well-developed social infrastructure and an established residential area.</li> </ul>
7	Other (SPR & Dwarka Expressway)	<ul style="list-style-type: none"> <li>Designated Zone: Commercial, IT/ITES</li> <li>Dotted with mid-sized corporate offices and IT companies.</li> <li>Well-developed social infrastructure and an established residential area</li> </ul>

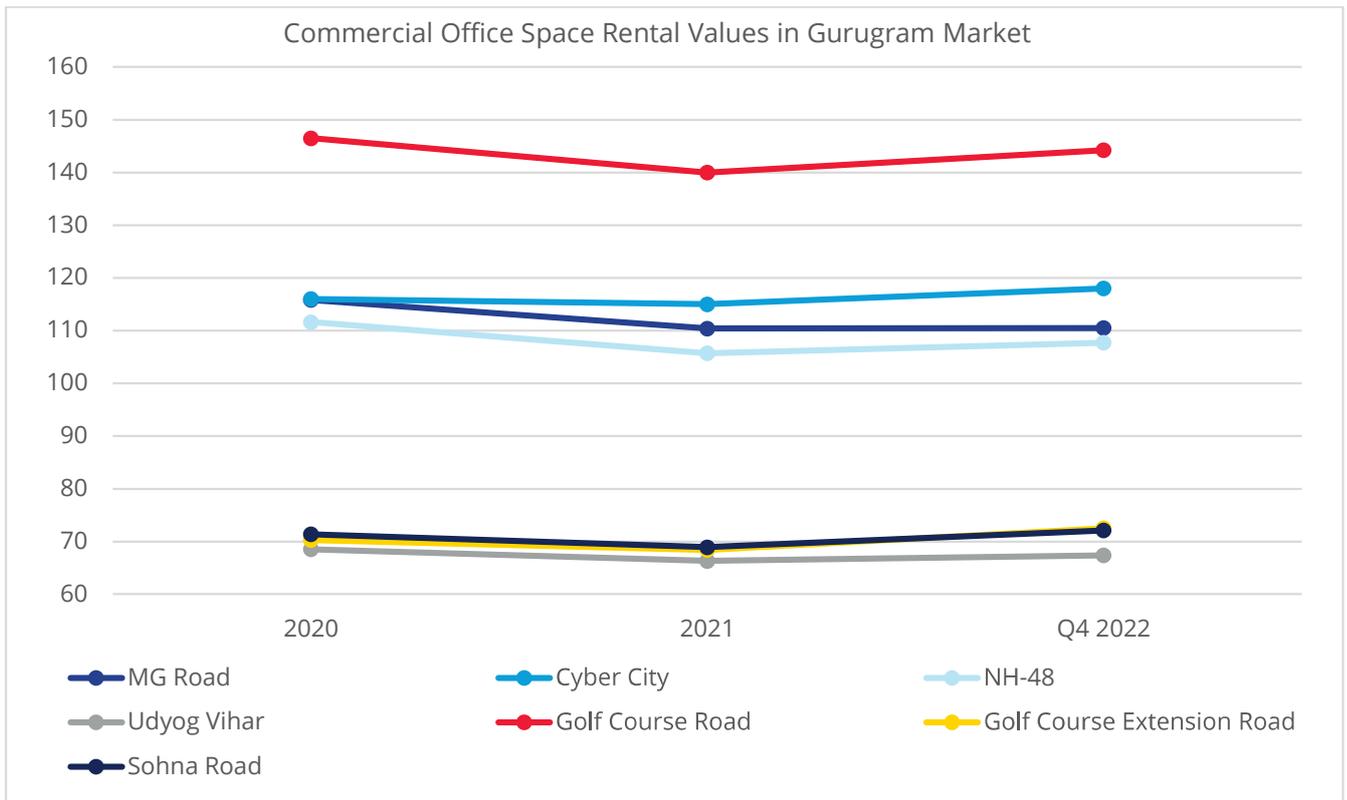
Source: Colliers Research

### Gurugram Commercial Office Space Market Rental Trends

Gurugram is one of the prime office destinations across the Delhi NCR. Major commercial micro markets of Gurugram are MG Road, Cyber City, NH-48 stretch, Udyog Vihar, Golf Course Road, Golf Course Extension Road and Sohna Road. Gurugram market plays a vital role in the office market of the Delhi NCR. It is favourable market by both National and International companies due to essential business environment along with availability of skilled manpower.



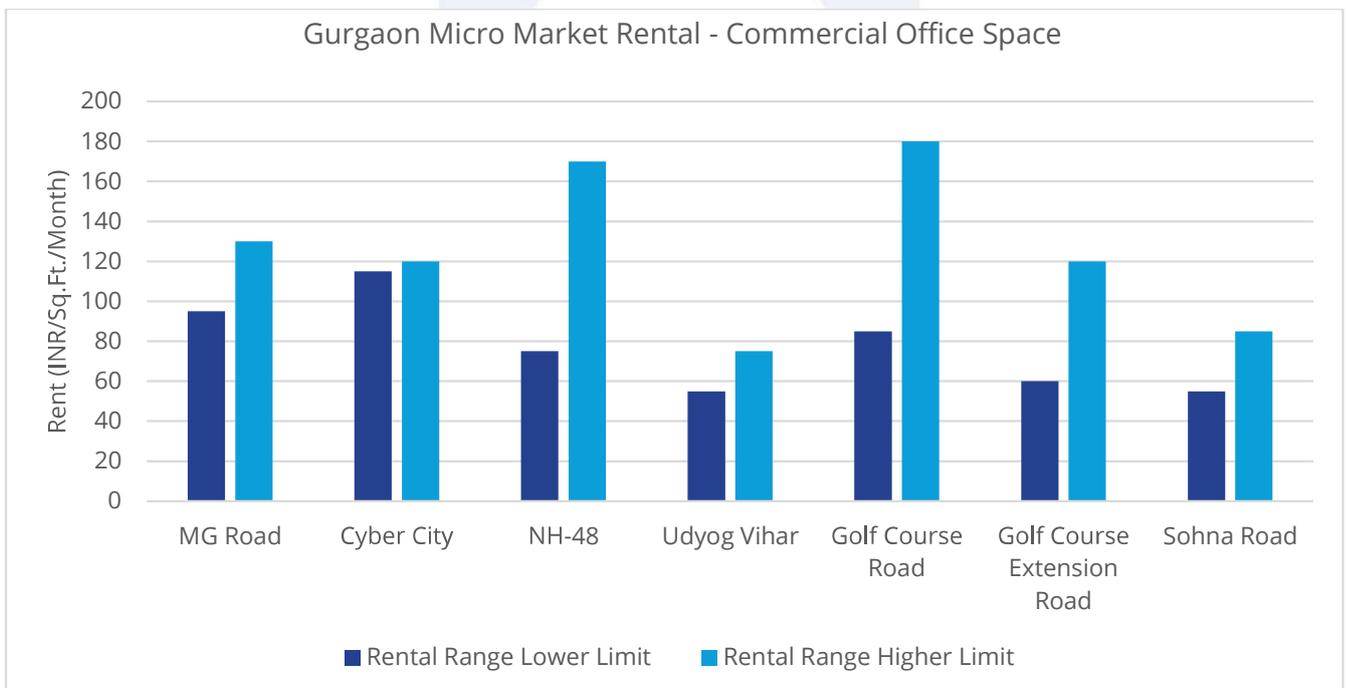
The below graph is depicting average Rental Values Trend of various commercial micro markets of Gurugram.



Source: Colliers Research

### Rentals in Gurgaon Micro Markets

Gurgaon micro market has witnessed rental ranges of INR 55-180 per sq. ft per month.



Source: Colliers Research (Q4 2022 update)

### Key Micro Markets Dynamics of Gurgaon

Following are the key major micro markets of Gurgaon, which contributes to total stock of 69.1 Mn sq. ft out of total supply in Gurgaon. The micro markets have witnessed average vacancy rate of 17.52 % as on Q4 2022.



Micro Markets	Total Stocks (Grade Office Space) (Mn sq. ft)	Vacancy (%)	Upcoming Supply till 2022 (Mn sq. ft)	Rental Range (INR/sq. ft/month)	Capital Value (INR/sq. ft)
MG Road	3.4	17.4	0.025	95-130	15,000 – 20,000
Cyber City	13.4	10.05	NIL	115 -120	18,000 – 21,000
NH-48	21.5	19.04	2.8	75-170	11,000 – 18,000
Udyog Vihar					
Golf Course Road	6.6	7.2	NIL	85-180	14,000 – 18,000
Golf Course Extension Road	13.6	29.4	1.6	60-120	6,000 – 11,000
Sohna Road	10.6	22.07	NIL	55-85	7,000-13,000

Source: Colliers Research

### 3.9.1 Key Micro Markets in the Vicinity of the Subject Property

The Subject development “Candor TechSpace IT/ITeS located in the close vicinity of two major micro markets of the Gurgaon like Sohna Road and Golf Course Extension Road.

### 3.9.2 Sohna Road

Sohna Road is also key micro market of Gurgaon, located on southern region of the city. It is connecting to Delhi – Jaipur Expressway to Sohna. It is also commercial, retail, and residential real estate corridor of the city. The micro-market of Sohna Road stretches from Rajiv Chowk near NH-48 in Gurgaon till Sohna city in the south. Key Sectors like Sectors 33, 38, 48 and 49 are major Sectors along the Sohna Road.

Key Commercial projects included Bestech Business Park, Iris Tech Park, Universal Trade Tower, Spaze Itech Park and etc. The total commercial IT/ ITES stock, vacancy and major tenant in this locality is tabulated as follows:

Total Stock (2022) (Grade A)	Vacancy (%) (2022) (Grade A)	Upcoming Supply (2023)	Gross Absorption (2022)	Key Tenant Mix	Rental Range (INR/sq. ft/month)	Capital Value Range (INR/sq. ft)
10.6 Mn sq ft	22.07%	None	546,057 sq ft	<ul style="list-style-type: none"> <li>Technology</li> <li>Consulting</li> <li>BFSI</li> </ul>	55-85	7,000-13,000

### OUTLOOK:

Significant upcoming supply on Golf Course Extension Road is likely to keep a downward pressure on rents over the next 2-4 years.

### KEY OCCUPIERS:





**Key Office Space Transactions Recorded in Recent Past:**

Occupier	Building Grade	Building Name	Lease/Sale	Period	Area (In sq. ft)
Wheelsys	A	Capital Business Park	Lease	Q3 2022	1,00,000
Encore Capital	A	Candor TechSpace	Lease	Q1 2022	221,000
Marelli	A	Candor Tech Space	Lease	Q1 2022	39,407
<a href="#">Legato Health Technologies</a>	A	Candor Tech Space	Lease	March 2022	500,000
<a href="#">Multiple Clients- deal by Trehan Iris</a>	A	Iris Tech Park	Lease	Dec 2022	2,75,000

Source: Colliers Research

**3.9.3 Golf Course Extension Road**

Golf Course Extension Road is an extended development of Golf Course Road. It is an emerging micro market of Gurgaon city, and it comprises of Sector 55 to Sector 68. The micro market has mixed and wide range of real estate development like residential apartments, commercial and IT/ITeS development along the road. Key prominent residential development is Tata Raisina Residency, Ireo City, Ansal Esencia, M3M Golf State, Emaar Greens, Pioneer City, Mahindra, and few affordable apartment projects. Some of the notable commercial projects included Spaze Tech Park, Vatika Business Park, Universal Business Park, Emaar Digital Green, Bestech Business Tower and Ireo- Ascendas SEZ and renowned Trump Tower. The total commercial IT/ ITES stock, vacancy and major tenant in this locality is tabulated as follows:

Total Stock (2022) (Grade A)	Vacancy (%) (2022) (Grade A)	Gross Absorption (2022)	Upcoming Supply (2023)	Key Tenant Mix	Rental Range (INR/sq. ft/month)
13.6 Mn sq ft	29.4%	1,108,272 sq ft	1.9 Mn sq ft	<ul style="list-style-type: none"> <li>Technology</li> <li>Consulting</li> <li>BFSI</li> </ul>	60-120

**OUTLOOK:**

Significant upcoming supply on Golf Course Extension Road and elevated vacancy is likely to keep a downward pressure on rents

**KEY OCCUPIERS:**



**Key Office Space Transactions Recorded in Recent Past:**

Occupier	Building Grade	Building Name	Lease/Sale	Period	Area (In sq ft)
Zomato	A	Pioneer Square	Lease	Q2 2022	350,000
Reliance	A	Splendor Trade Tower	Lease	Q2 2022	240,000
Parth Universal	A	AIPL Business Club	Lease	Q2 2022	75,000
Deloitte	A	AIPL Business Club	Lease	Q2 2022	50,600

Source: Colliers Research



## 4 PROPERTY OWNERSHIP

As per the details shared with us, the developer for the Subject Property is M/s. Candor Gurgaon One Realty Projects Private Limited. For the purpose of this report, M/s. Candor Gurgaon One Realty Projects Private Limited has been considered as the owner of the Property.

For the purpose of this valuation, we have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the Property and our valuation assumes that none exists.

### 4.1 Documents/ Information Shared

The following documents have been shared for the purpose of preparation of this report:

- Existing rent roll for G1 as on March 31st, 2023
- Details of applicable CAM models comprising of CAM charges and CAM Cost
- Details of cost to complete as of Q1 2023
- Summary of Property Tax Payable for FY 2020-21 and FY 2021-22.
- Other Income details for year 2019-20, 2020-21, 2021-22 and 2022-23



# 5 PROPERTY DETAILS

## 5.1 Property Brief

The Subject Property is a commercial IT/ITeS space development, which is known as “Candor TechSpace IT/ITeS”, spread across a plot area admeasuring 25.187 acres.

Basic details about the Subject Property are as follows:

Property Details	
Address	Candor TechSpace, Tikri Sector 48, Gurgaon, Haryana
Plot Area	25.187 Acres
Leasable Area	Total leasable area admeasuring of 37,98,366 Sq. ft including future development area of 1,03,884sq. ft
Permissible Usage	IT/ITeS
Project Name	Candor TechSpace
Access Road	40-meter-wide road (Subhash Chowk – Honda Chowk)
Ownership Type	Freehold
Location	

### Area Description of the Development:

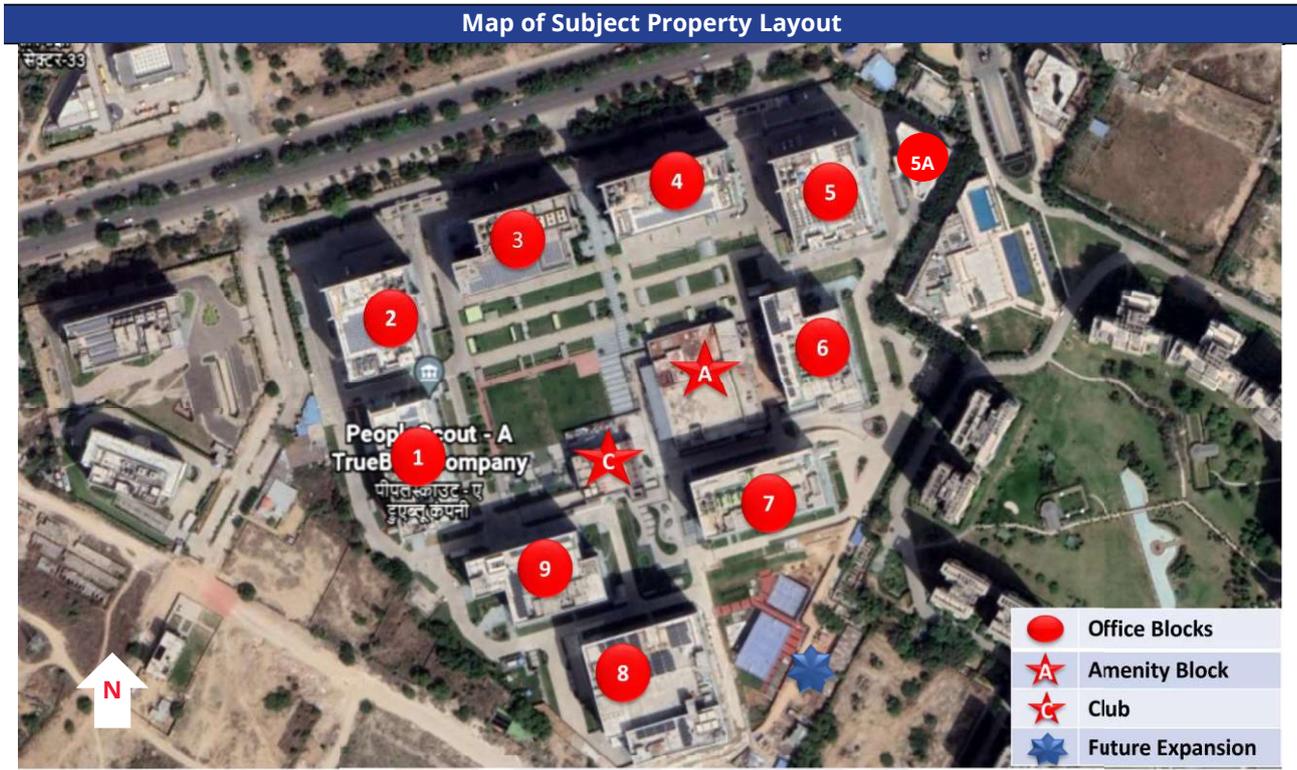
The Subject Property is a commercial IT/ITeS SEZ office property having a total operational leasable area of 3.69 Mn sq.ft. with a proposed future development of 0.1 Mn sq.ft.

### Parking Details and Utilisation:

Total Number of Car Parks is 5,780 in the entire development.

Free Car Park as % of total Car Park	Paid Car Park as % of total Car Park	Additional Car Park as % of total Car Park	Total Car Park allotted as % of total car park constructed
37%	26%	2%	65%

The following map illustrates the location of the various towers in the Candor TechSpace at Sector 48, Gurgaon:



Source: Colliers Research & Google Maps

## 5.2 Key Highlights of the Property

Following points list out the structural highlights and major tenants occupying the Property, which are

- Availability of larger floor plates
- Availability of open areas/ green areas
- 3 functional entry/exit point
- Building awarded IGBC Platinum rating
- National 5S Excellence Gold Award
- Availability of all the basic requirements of the occupiers viz. Food Court, ATM, convenience stores etc.

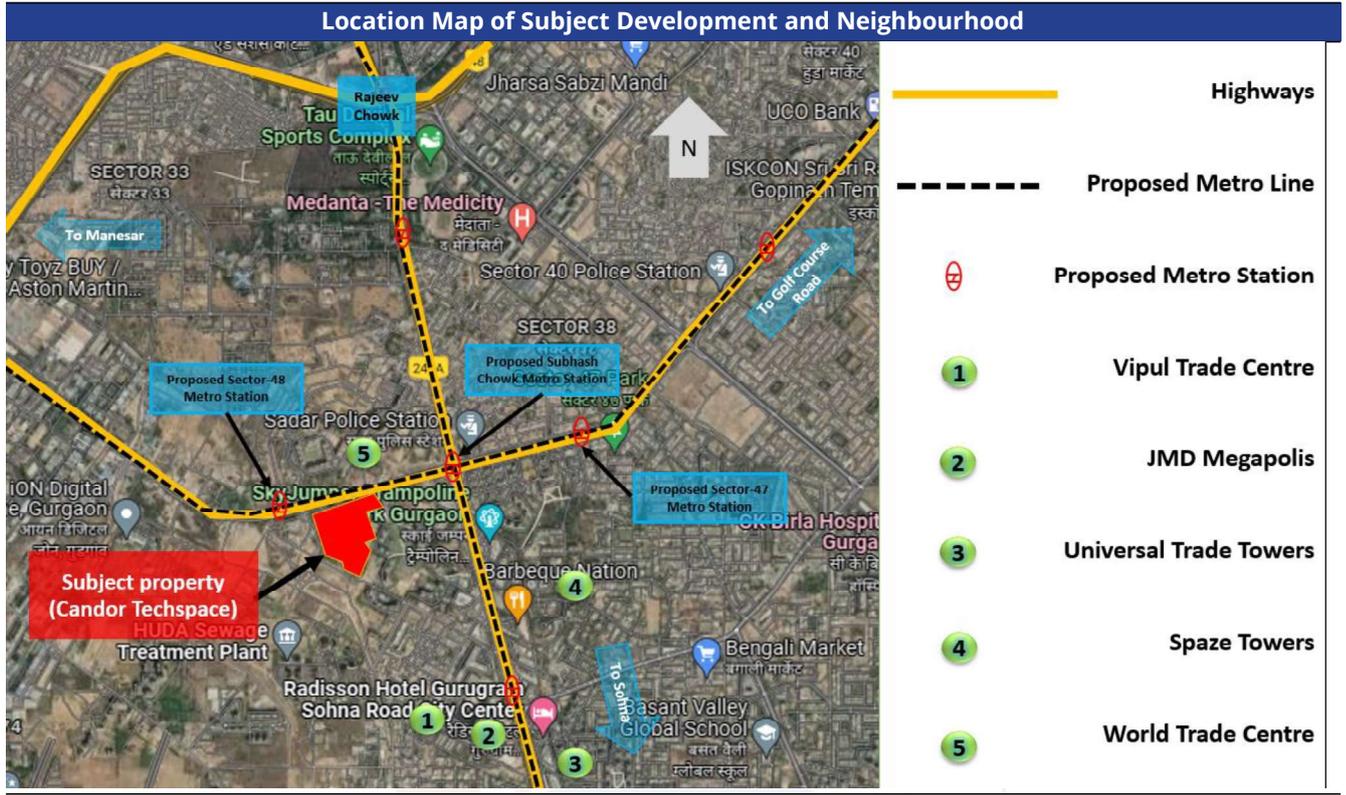
Some of the major occupiers of the Subject Property are:

- Cognizant Technology Solutions India Private Limited
- R1 RCM Global Pvt Ltd (formerly Accretive)
- Wipro HR Services India Pvt. Ltd. (earlier Aight HR Services)
- Aon Consulting India Pvt. Ltd.
- Wipro Limited
- Capgemini Technology Services India Limited

## 5.3 Location & Neighbourhood

The Subject Property is located at Village- Tikri, Sector-48 of Gurugram and close to Sohna road. It is easily accessible by Netaji Subhash Marg. As per Gurgaon Manesar Urban Complex Plan, 2031, Sector 48, Gurgaon has been earmarked for development of residential and commercial for roadside property.

The following table illustrates neighbourhood of the Subject Property:



The surrounding of the Subject Property consists of residential sectors, commercial retail spaces and office buildings. G1 can be reached through Sohna road and Netaji Subhash Marg. With presence of Rapid metro located in close proximity of the Subject Property, G1 is easily accessible for the common people from the other micro-markets of NCR. Few of the major office space development in the vicinity are JMD Megapolis, Universal Trade Towers, World Trade Centre etc. Some of the prominent hotels in the micro markets are Radisson, Country Inn and Suites, Lemon Tree etc.

### 5.4 Access and Connectivity

The Subject Property located along Netaji Subhash Marg in Sector 48, Gurgaon which is very well connected to the Sohna road. Sector 55-56 Rapid Metro Station is located about 9 kms away from the Subject Property (Candor TechSpace), which further connects to Delhi Metro for Metro connectivity to the NCR micro markets like Delhi, Noida, Ghaziabad, Faridabad and Greater Noida. Metro lines are proposed for future development under Gurgaon Metro future expansion plan. As per this plan, nearest metro station to the G1 will be Sector 48 metro station, Subhash Chowk metro station which may help improve the connectivity of the Subject Property.

In July 2022, The 22 km long Sohna elevated road was opened for traffic. A stretch of the elevated road from Subhash Chowk to Badshahpur was opened to commuters. This stretch will help to improve connectivity of the Subject Property.

**Distance of subject site from key landmarks:**

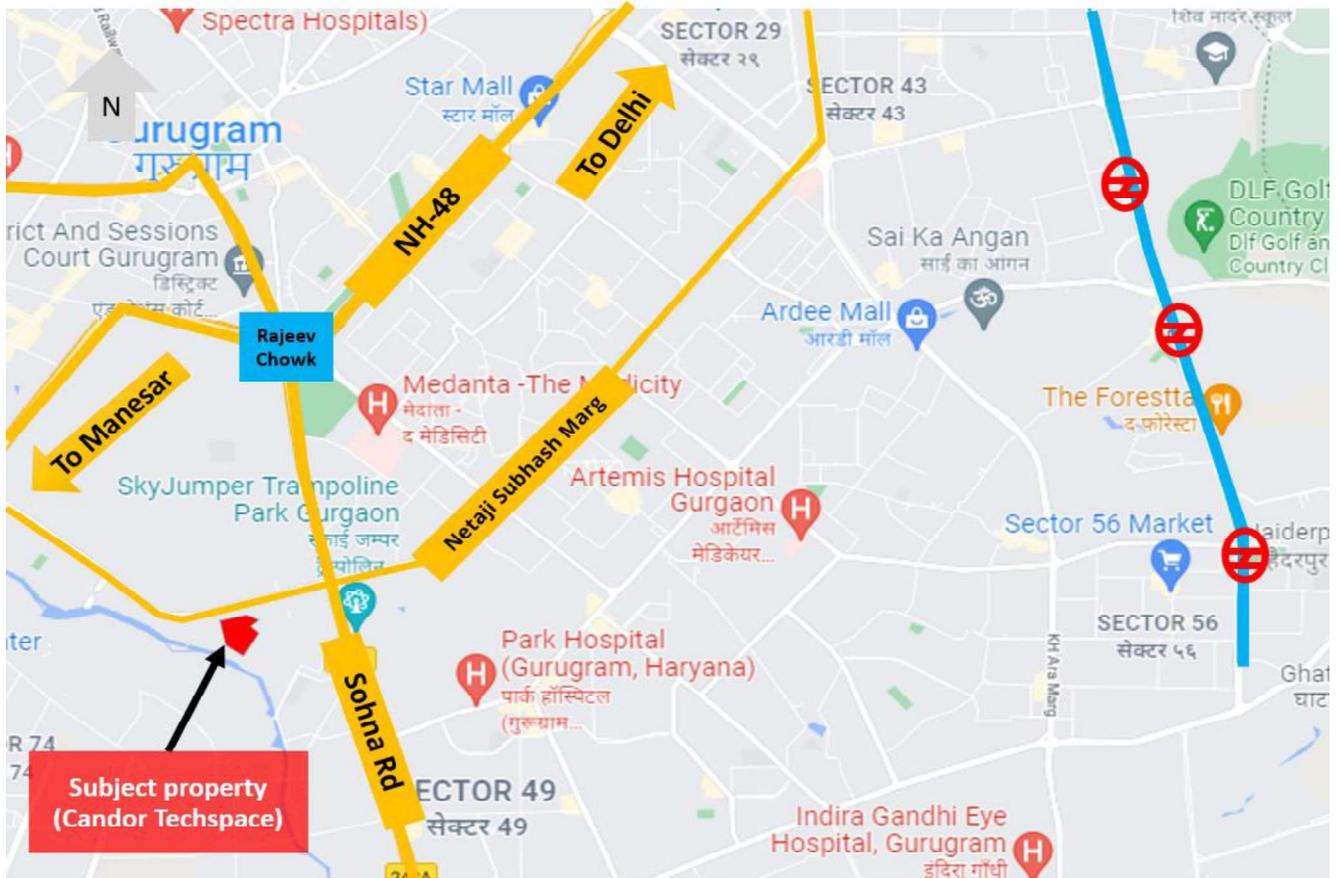
Key Landmark	Road Distance from subject site (kms.)
DLF Cyber City	11.1
Gurgaon – MG Road	8.7
IFFCO Chowk	7.2
Gold Course Road	8.7



Key Landmark	Road Distance from subject site (kms.)
Aerocity	18.5
Indira Gandhi International Airport, Delhi	21.7
Connaught Place	33.7

Source: Colliers Research

**Location Map of Subject Property and Connectivity**



Source: Colliers Research & Google Maps

### 5.5 Environmental Issue

We have no knowledge of any environmental concerns or contamination of the subject site and surrounding sites. We are not qualified to assess environment concerns; it is therefore recommended that the client should seek professional advice from an expert.

### 5.6 Approval and Regulatory Status

This valuation exercise has been conducted with an assumption that all the regulatory approvals are in place.



## 6 APPROACH & METHODOLOGY

The market value of the Subject Property has been estimated using Income Approach – Discounted Cash Flow Method.

Our valuation is on the basis of Market Value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

### Discounted Cash Flow (DCF) Method

DCF method/analysis is a financial modelling technique based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the subject land parcel. In case of a valuation of a large land parcel like the property, where the development potential is realized over a period of time (i.e., time value of money comes into the picture) and also where there are no or few immediate similar properties (i.e., comparable) available for comparison, DCF method considering relevant potential developments of the project is used.

The DCF method requires the entire development cash flows to be drawn up and assumptions made about the market performance over the entire project time frame. This requires an in-depth understanding of

- the demand / supply dynamics,
- transaction values and quantum,
- construction costs, quality, and infrastructure requirements/constraints,
- time frame of the project,
- profit / returns, and other analysis.

All this market data must be compiled (as relevant to the subject site) in order to create a financial model that captures all market drivers and value impacting parameters.



## 7 VALUATION ASSUMPTIONS

This report is subject to our Standard Caveats and Assumptions as set out in the end of this report as well as those mentioned below:

- We have assumed that the property is free from and clear of any charges, liens, and encumbrances of an onerous nature likely to affect value.
- It is assumed that any land premium or other relevant fees payable for the acquisition, transfer, sale, letting or mortgage of the property have been fully paid and settled.
- We are not aware of any easements or rights - of - way affecting the property and our valuation assumes that none exists.
- We have assumed proper title has been obtained, and the property and the interest valued therein can be freely transferred, mortgaged, or let in the market.
- We have assumed that all Information, estimates, and opinions furnished to us and contained in this report, including all information provided by the client or its representative, are fit for valuation purposes, and have been obtained from sources considered reliable and believed to be true and correct. We can assume no responsibility for accuracy.
- We have not carried out any detailed site measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents provided to us are correct. All documents and contracts have been used as references only and all dimensions, measurements and areas are therefore approximations.
- We have assumed the Property is free of contamination and any other environmental problem and can be developed in accordance with the plans, and to the construction quality as stated in the supplied information.
- Transaction cost like stamp duty, registration charges, mode of payment, brokerage and any other additional cost related to transaction structuring, taxes such as capital gains, Income tax etc. pertaining to sale / purchase of the property have not been considered while arriving at the sale value.
- Real estate market in India is unorganized and there are no official market databases/ sources for their prevailing market rates. The information pertaining to the sales/ listing data has been obtained from sources deemed to be reliable however no written confirmation or verification was made available and hence our analysis is limited to that extent.
- For any use of the Property upon which this valuation report is based, all required licenses, permits, certificates, and authorizations as required have been obtained, and are capable of renewal without difficulty, except only where otherwise stated.



## 8 VALUATION

As per our observation at the time of site inspection that the Subject Property comprises of retail and office space (Commercial IT/ITeS) development which is being leased out. Owing to the income generating nature of the Property, discounted cash flow method under the Income Approach is being utilized. A portion of the Property is under construction and another portion has been earmarked for future development. The following section shows the area statement basis the information shared by the client.

### Area Statement:

Particulars	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Total Leasable Area	27,86,867	10,11,499	37,98,366
Constructed	27,86,867	9,07,615	36,94,482
Future Development	-	1,03,884	1,03,884
Under Construction	-	-	-

### *Break up of Constructed Area:*

Building/ Tower Name	Leased (Sq.ft.)	Vacant (Sq.ft.)	Total (Sq.ft.)
Amenity I	54,108	16,061	70,169
Amenity II (Club House)	28,061	-	28,061
Tower 1	3,15,812	25,018	3,40,830
Tower 2	3,53,654	27,694	3,81,348
Tower 3	1,67,996	1,41,852	3,09,848
Tower 4	2,71,266	79,558	3,50,824
Tower 5	4,11,187	-	4,11,187
Tower 5A (SEZ Office)	-	40,965	40,965
Tower 6	3,10,797	-	3,10,797
Tower 7	2,97,519	64,582	3,62,101
Tower 8	2,61,331	5,11,885	7,73,216
Tower 9	3,15,135	-	3,15,135
<b>Total Area (Completed/Operational)</b>	<b>27,86,867</b>	<b>9,07,615</b>	<b>36,94,482</b>

Source: Client Shared Details

### *Break up of Under Construction Area:*

Building	Leased (Sq. Ft.)	Vacant (Sq. Ft.)	Total (Sq. Ft.)
Tower 11	-	1,03,884	1,03,884
<b>Total</b>	<b>-</b>	<b>1,03,884</b>	<b>1,03,884</b>



**Assumptions:**

The assumption taken for this projects area as follows:

Particulars	Unit	Value	Remarks
<b>Cost Assumptions</b>			
Cost to be incurred - Operational	INR Mn	247	Client Shared
Cost to be incurred – Future Development	INR Mn	473	Colliers Assumption
Average CoC - Future Development	INR per sq. ft	4,300	Colliers Assumption
Brokerage	(No. of months Rental)	1.00	Colliers Assumption
Brokerage on Exit	%age	1%	Colliers Assumption
Insurance & Property Tax annual Increment	%age	5%	Colliers Assumption
Property Tax Liability to lessor	INR per sq. ft per month	0.05	Client Shared
<b>Revenue Assumption</b>			
Escalation in Rental for future leased portion	%	15%	After every three years
Escalation in Rental for Fresh Leasing:	%	0.42%	% per month
Vacancy Leased Portion	(Months)	3.00	Months
Rent Free Period	(Months)	3.00	Months
Improved Efficiency at time of lease renewal	%	5.00%	%age of existing leasable area
Interest on Security Deposit	%	0.50%	%age per month
Average Market Rental All assets except towers	(INR/ Sq.ft./Month)	80	Colliers Assumption
Market Rent: Towers / Retail	(INR/Month)	80	Colliers Assumption
Car Parking Rentals	INR per ECS per Month	5,000	Colliers Assumption
Other Income	INR per sq. ft per month	0.34	Client Shared
Security Deposit	(No. of Months)	3	Colliers Assumption
CAM Deposit	(No. of Months)	-	Colliers Assumption
Paid Car Park - vacant	ECS	883	
CAM Expenses	(% of Cam Charges)	75%	Colliers Assumption
Parking Income Annual Increment	(%)	5%	Colliers Assumption
Stabilized Vacancy	(%)	5.0%	Colliers Assumption
Repair & Maintenance cost	%age of rent revenue	2.0%	Colliers Assumption
<b>Project Assumptions</b>			
Discount Rate - Constructed	%	11.75%	Colliers Assumption
Discount Rate - future development	%	13.00%	Colliers Assumption
Capitalisation rate	%	8.00%	Colliers Assumption

**Capitalization rate:**

Capitalization rate is basically the per year yield on the investment a buyer expects once he buys a matured property. This capitalization rate is derived from the amount risk that is involved in that particular type of investment. Generally riskier asset classes have a higher capitalization rate. Since in an efficient market, the return on capital a typical buyer will get will be equal to the cost of capital, the capitalization rate is also an indicator of the return expectations of a typical buyer in the market. Capitalization rate is also inflation protected because as with any property, lease revenues are expected to keep pace with the prevailing inflation. So, the returns a buyer gets keeps increasing because of the increase in future lease revenue. In economics terms it's called real return on investment because the purchasing power of your money is maintained and is not eroded by inflation. Capitalization rate is used to calculate the capital value of a property when it is being disposed.

$$\text{Capital Value of Property} = \frac{\text{Net Operating Income from leases}}{\text{Capitalization Rate (\%)}}$$



Based on the market transactions, we have arrived at Capitalisation rate of 8.00 % for the Property.

**Discount rate:**

Discount rate is used to compute net present value in the discounted cash flow analysis. The Discount Factor considered for arriving at the present value is the weighted average cost of capital (WACC). A debt-equity ratio comprising of 60% debt and 40% equity has been considered. The cost of equity is computed using the Capital Asset Pricing Model (CAPM) using the formula shown below.

$$r_E = r_f + \beta(r_m - r_f)$$

Where,

rf = Risk free rate

rm =Market return

β = Measure of Market Risk

WACC Calculation	Values
Target D/V	60%
Target E/V	40%
Cost of Debt (Kd)	
Assumed cost of debt	8.50%
Spread	0
Cost of Debt (Kd)	8.50%
Tax Rate	0
Net Cost of Debt	8.50%
Risk Free Rate (Rf)	7%
Expected Average Return of the market (Rm)	13%
Rm- Rf	6%
Beta - considering simple average	1.43
Beta - considering median	1.21
Alpha- Company/ Project Specific Risk Factor	1%
Cost of Equity (Ke) - considering Beta at simple average	16.90%
Cost of Equity (Ke) - considering Beta at median of Relevered Beta	15.55%
Cost of Capital - considering Beta at simple average of Relevered Beta	11.86%
Cost of Capital - considering Beta at median of Relevered Beta	11.32%

WACC is derived between 11.32% to 11.86%. Also, as per the market practice, other REIT valuations in India is considered at the WACC of 11.75%, which is within the same range. Hence, in line with the market practice and above derivation, we have considered WACC of 11.75%.

**Repair & Maintenance Cost:**

Assets requires a regular repair and maintenance to keep them operational and income generating. Keeping this in view 2% of the rent revenue every year has been taken as the repair and maintenance cost. The repair and maintenance cost have been allocated only after the asset has become operational.

**Downtime:**

A downtime of total 6 months has been considered as and when a lease expires. The downtime means that the asset shall not earn a rent during the period. The break-up of down time is 3 months for vacancy (time required for finding a new tenant and 3 months as rent-free period).



**Rent Premium for newer structures:**

For the purpose of this valuation, it has been assumed that newer structures i.e., buildings under construction and buildings earmarked for future development shall command a 5% premium on the prevalent market rent.

**Mountainstar India Office Parks Private Limited (MIOP) Arrangements:**

As informed by the client, MIOP has been appointed to provide real estate operating services in relation to the leasing, management and operations of Candor Techspace G1 and administration of company's functions for period of 30 years.

Following are the assumptions made :

Particulars	Unit	Value	Remarks
Escalation in MIOP Rate card for CAM Services	(% every 3 years)	15%	Client Shared
Manpower Cost - occupied portion	%age of MIOP Revenue	35%	Colliers Assumption
Manpower Cost - vacant portion	%age of MIOP Revenue	50%	Colliers Assumption
Equipment & Machinery	%age of MIOP Revenue	5%	Colliers Assumption





**Project development status:**

Basis the information shared and as per the site observations, the project construction schedule for under construction and future development area has been assumed as following:

Building	31-Jul-23	30-Nov-23	31-March-24	31-July-24	31-Nov-24
Future Development	20%	20%	20%	20%	20%

**Other Pending Cost of Construction:**

Other pending construction cost includes cost to be incurred for under construction work and future development as mentioned below:

Pending cost of construction for under construction work is INR 247 Million, and pending cost of construction for future development is INR 473 Million (with average cost of construction rate<sup>1</sup> @ INR 4,300 per sq. ft.)

**NOI:**

NOI is the Difference of the sum of revenue from rent, CAM operations, MIOP margin, Car parking and Income support and the cost towards CAM operations, annual lease rent to Gurgaon Authority and Rent Permission Charges to Gurgaon Authority

**MIOP Margin:**

Candor India office Parks Private Limited (MIOP) has undertaken a transition, operations and maintenance agreement with M/s. Candor Gurgaon One Realty Projects Private Limited. The margin which MIOP earns, as reported, shall also be the part of cash inflows. Basis the rate card and information provided, the annual MIOP margin is projected as following:

Beginning Time Period	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33	Apr-34	Apr-35	Apr-36	Apr-37	Apr-38	Apr-39	Apr-40	Apr-41	
Ending Time Period	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42
Operational Portion	-																			
Total leased area - 12*6 & 0 CAM Model	18,89,515	19,90,833	21,99,733	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250
Total leased area - other model	8,97,352	9,64,897	11,04,164	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508
Vacant area	9,07,615	7,38,751	3,90,585	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724
Future Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	-	-	8,293	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214
Total leased area - other model	-	-	5,529	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476
Vacant area	-	-	20,806	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194
CIOP Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> The Construction cost of similar structure has been achieved by discussion with the in-house Project Management team of Colliers. The discussion reveals that the average construction cost of similar structure ranges between INR 4,000 to INR 4,500 per sq. ft. The exact cost for the same depends upon the type of construction and the quality of material.



Beginning Time Period	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33	Apr-34	Apr-35	Apr-36	Apr-37	Apr-38	Apr-39	Apr-40	Apr-41	
Ending Time Period	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42
Total leased area - 12*6 & 0 CAM Model	6	79	98	98	98	113	113	113	130	130	130	149	149	149	171	171	171	197	197	197
Total leased area - other model	7	90	113	114	114	131	131	131	151	151	151	173	173	173	199	199	199	229	229	229
Vacant area	2	15	11	11	11	13	13	13	15	15	15	17	17	17	19	19	19	22	22	22
Total CIOP Revenue	15	183	222	223	223	256	256	256	295	295	295	339	339	339	390	390	390	449	449	449
Manpower cost - occupied	5	59	74	74	74	85	85	85	98	98	98	113	113	113	130	130	130	149	149	149
Manpower cost - vacant	1	7	6	6	6	6	6	6	7	7	7	8	8	8	10	10	10	11	11	11
Equipment & Machinery Cost	1	9	11	11	11	13	13	13	15	15	15	17	17	17	20	20	20	22	22	22
Net CIOP Margin	9	108	132	132	132	152	152	152	175	175	175	201	201	201	231	231	231	266	266	266
Future Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	-	-	-	2	2	3	3	3	3	3	3	4	4	4	4	4	4	5	5	5
Total leased area - other model	-	-	-	2	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3
Vacant area	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CIOP Revenue	-	-	1	4	4	5	5	5	5	5	5	6	6	6	7	7	7	8	8	8
Manpower cost - occupied	-	-	0	1	1	2	2	2	2	2	2	2	2	2	2	2	2	3	3	3
Manpower cost - vacant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & Machinery Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net CIOP Margin	-	-	1	2	2	3	3	3	3	3	3	4	4	4	4	4	4	5	5	5
Total CIOP Margin	9	108	132	135	135	155	155	155	178	178	178	205	205	205	235	235	235	271	271	271
Terminal Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cashflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>MIOP - NPV - INR Mn</b>	<b>1,710</b>																			
<b>G1 - NPV - INR Mn</b>	<b>213</b>																			

Beginning Time Period	Apr-42	Apr-43	Apr-44	Apr-45	Apr-46	Apr-47	Apr-48	Apr-49	Apr-50	Apr-51	Apr-52	Apr-53
Ending Time Period	Mar-43	Mar-44	Mar-45	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51	Mar-52	Mar-53	Apr-54
Operational Portion												
Total leased area - 12*6 & 0 CAM Model	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250	23,23,250
Total leased area - other model	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508	11,86,508



Beginning Time Period	Apr-42	Apr-43	Apr-44	Apr-45	Apr-46	Apr-47	Apr-48	Apr-49	Apr-50	Apr-51	Apr-52	Apr-53
Ending Time Period	Mar-43	Mar-44	Mar-45	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51	Mar-52	Mar-53	Apr-54
Vacant area	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724	1,84,724
Future Development	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214	59,214
Total leased area - other model	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476	39,476
Vacant area	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194	5,194
CIOP Revenue												
Operational Portion												
Total leased area - 12*6 & 0 CAM Model	227	227	227	261	261	261	300	300	300	345	345	378
Total leased area - other model	264	264	264	303	303	303	349	349	349	401	401	439
Vacant area	26	26	26	29	29	29	34	34	34	39	39	43
Total CIOP Revenue	516	516	516	593	593	593	682	682	682	785	785	860
Manpower cost - occupied	172	172	172	197	197	197	227	227	227	261	261	286
Manpower cost - vacant	13	13	13	15	15	15	17	17	17	19	19	21
Equipment & Machinery Cost	26	26	26	30	30	30	34	34	34	39	39	43
Net CIOP Margin	306	306	306	352	352	352	404	404	404	465	465	509
Future Development	-	-	-	-	-	-	-	-	-	-	-	-
Total leased area - 12*6 & 0 CAM Model	5	5	5	6	6	6	7	7	7	8	8	9
Total leased area - other model	4	4	4	4	4	4	5	5	5	6	6	6
Vacant area	0	0	0	1	1	1	1	1	1	1	1	1
Total CIOP Revenue	10	10	10	11	11	11	13	13	13	15	15	16
Manpower cost - occupied	3	3	3	4	4	4	4	4	4	5	5	5
Manpower cost - vacant	0	0	0	0	0	0	0	0	0	0	0	0
Equipment & Machinery Cost	0	0	0	1	1	1	1	1	1	1	1	1
Net CIOP Margin	6	6	6	7	7	7	7	7	7	9	9	9
Total CIOP Margin	311	311	311	358	358	358	412	412	412	474	474	519
Terminal Value	-	-	-	-	-	-	-	-	-	-	-	5,993
Brokerage	-	-	-	-	-	-	-	-	-	-	-	60
Net Cashflow	-	-	-	-	-	-	-	-	-	-	-	5,972

*Therefore, the NPV of MIOP is INR 1,710 Million as on March 31, 2025. NPV of G1 share of MIOP cashflows after March 2054, when the service agreement with MIOP is terminated, is INR 213 Million.*



## Income Support:

Income Support is applicable on the areas that are currently vacant and on identified expiries due in FY2024. The Income Support and CAM support of Rs 80 + Rs 12 PSF/Month are applicable till March 31<sup>st</sup>, 2024. Both will escalate by 5% from April 01<sup>st</sup>, 2024 and be applicable till March 31<sup>st</sup>, 2025.

Beginning Time Period	Unit		Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34
Income Support - Vacant Area	(INR in Mn)	-	816	455	-	-	-	-	-	-	-	-	-
Income Support - for Downtime & Rent-Free Period Leased Area	(INR in Mn)	-	288	112	-	-	-	-	-	-	-	-	-
Income Support - for Rent Free Period Fresh Lease	(INR in Mn)	-	80	114	-	-	-	-	-	-	-	-	-
Total Income Support Constructed Area	(INR in Mn)	-	1,251	749	-	-	-	-	-	-	-	-	-
Income Support - for Rent Free Period Fresh Lease - Under Construction	(INR in Mn)	-	-	-	-	-	-	-	-	-	-	-	-
Total Income Support	(INR in Mn)	-	1,251	749	-	-	-	-	-	-	-	-	-

## CASH FLOW PROJECTION FOR G1 IN THE PROPERTY (OPERATIONAL PORTION):

Beginning Time Period	Unit		Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34
<b>Particulars - Outflows</b>													
Construction Schedule/ Development Phasing		-	-	-	-	-	-	-	-	-	-	-	-
Constructed Area	(Sq.ft.)	-	-	-	-	-	-	-	-	-	-	-	-
Other Pending Construction Costs	(INR in Mn)	-	247	-	-	-	-	-	-	-	-	-	-
CAM Outflow		-	-	-	-	-	-	-	-	-	-	-	-
Constructed Vacant Area	(INR in Mn)	8	110	50	24	37	47	31	70	64	52	61	68
Leasing of vacant area	(INR in Mn)	-	40	128	187	197	207	217	228	240	252	265	279
Leased as on date of Valuation	(INR in Mn)	43	514	597	631	647	669	749	731	822	889	946	940
<b>Total CAM Outflow</b>	(INR in Mn)	52	664	774	842	880	923	997	1,029	1,125	1,193	1,272	1,287
Repair & Maintenance cost	(INR in Mn)	4	48	60	66	69	72	78	76	86	91	94	101
Brokerage	(INR in Mn)	-	67	69	9	18	53	15	11	6	27	5	4
Property Tax Liability to the Lessor	(INR in Mn)	0	2	3	3	3	3	3	3	3	4	4	4
<b>Total Outflows</b>	(INR in Mn.)	56	809	906	920	971	1,050	1,093	1,119	1,221	1,315	1,375	1,396
<b>Particulars - Inflows</b>													
Rental from Leasing		-	-	-	-	-	-	-	-	-	-	-	-
Leased portion	INR Mn	198	2,295	2,590	2,711	2,841	2,900	3,187	3,081	3,509	3,767	3,866	4,143
Leasing of vacant portion	INR Mn	-	94	418	723	760	813	845	873	934	972	1,004	1,075
<b>Total Rental Revenue</b>	(INR in Mn)	198	2,389	3,008	3,434	3,601	3,713	4,032	3,955	4,444	4,738	4,870	5,217
<b>Total Security Deposit</b>	(INR in Mn)	-	1,235	1,487	1,574	1,559	1,588	1,718	1,696	1,925	1,956	2,019	2,119
CAM Inflow		-	-	-	-	-	-	-	-	-	-	-	-
Leasing of constructed vacant area	(INR in Mn.)	-	53	170	249	262	276	290	304	320	336	354	372
Leased as on date of Valuation	(INR in Mn.)	58	686	796	841	863	892	998	975	1,095	1,185	1,261	1,253
<b>Total CAM Inflow</b>	(INR in Mn.)	58	739	966	1,090	1,125	1,168	1,288	1,279	1,415	1,521	1,615	1,625



Beginning Time Period	Unit	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33	
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	
<b>Particulars - Outflows</b>													
<i>Interest on Security Deposit</i>	<i>(INR in Mn.)</i>	-	74	89	94	94	95	103	102	116	117	121	127
Parking Revenue		-	-	-	-	-	-	-	-	-	-	-	-
Paid Car park Rate	(INR/ Month/ Per Spot)	5,000	5,138	5,400	5,677	5,967	6,272	6,593	6,931	7,285	7,658	8,050	8,462
Paid Car Park Allotment	(Nos.)	-	660	293	-	-	-	-	-	-	-	-	-
Total Car Parking Revenue	(INR in Mn.)	-	13	30	30	33	35	35	38	40	40	44	46
Revenue from Parking - Leased as on date of Valuation	(INR in Mn.)	7	84	96	100	105	108	118	111	122	130	118	138
<i>Total Parking Revenue</i>	<i>(INR in Mn.)</i>	7	96	126	130	138	142	153	149	162	170	162	184
<i>Other Income</i>	<i>(INR in Mn.)</i>	-	15	16	17	17	18	19	20	21	22	23	25
<i>Income Support</i>	<i>(INR in Mn.)</i>	-	1,251	749	-	-	-	-	-	-	-	-	-
<b>Total Inflows</b>	<i>(INR in Mn.)</i>	263	4,563	4,954	4,766	4,975	5,137	5,595	5,505	6,157	6,569	6,792	7,178
NOI	(INR in Mn.)	211	3,823	4,088	3,826	3,998	4,116	4,492	4,371	4,913	5,255	5,394	5,760
Net Cashflows	(INR in Mn.)	207	3,535	4,048	3,846	4,004	4,087	4,503	4,386	4,937	5,254	5,416	5,782
Terminal Value	(INR in Mn.)	-	-	-	-	-	-	-	-	-	-	71,994	-
Brokerage	(INR in Mn.)	-	-	-	-	-	-	-	-	-	-	720	-
Total Cashflow	(INR in Mn.)	207	3,535	4,048	3,846	4,004	4,087	4,503	4,386	4,937	5,254	76,690	5,782
Discount Rate	(%)	11.75%											
<b>NPV</b>	<b>(INR in Mn.)</b>	<b>49,494</b>											

Therefore, the estimated Market Value of G1 Share in the property for operational area is as **INR 49,494 Million**.





## CASH FLOW & NPV – AREA FOR FUTURE DEVELOPMENT:

Beginning Time Period	Unit	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30	Apr-31	Apr-32	Apr-33
Ending Time Period		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33
<b>Particulars - Outflows</b>												
<b>Construction Schedule/ Development Phasing</b>			-	-	-	-	-	-	-	-	-	-
<b>Future Development</b>	<b>(Sq.ft.)</b>	1,03,884	-	-	-	-	-	-	-	-	-	-
<b>Other pending Construction Costs</b>	<b>(INR in Mn)</b>		279	194	-	-	-	-	-	-	-	-
<b>CAM Outflow</b>			-	-	-	-	-	-	-	-	-	-
Vacant area	(INR in Mn)		-	3	1	1	1	1	1	1	1	1
Leased area	(INR in Mn)		-	3	26	27	28	30	31	33	34	36
<b>Total Cam Outflow</b>	<b>(INR in Mn)</b>		-	6	26	28	29	30	32	34	35	37
Repair & Maintenance cost	(INR in Mn)		-	0	1	1	1	1	1	1	1	2
<b>Brokerage</b>	<b>(INR in Mn)</b>		-	32	3	-	-	-	-	-	-	-
<b>Property Tax Liability to the Lessor</b>	<b>(INR in Mn)</b>		-	0	0	0	0	0	0	0	0	0
<b>Total Annual Rent</b>	<b>(INR in Mn)</b>		-	0	0	0	0	0	0	0	0	0
			-	-	-	-	-	-	-	-	-	-
<b>Total Outflows</b>	<b>(INR in Mn.)</b>		279	232	30	29	30	32	33	35	37	39
<b>Particulars - Inflows</b>												
<b>Rental from Leasing</b>			-	-	-	-	-	-	-	-	-	-
<b>Total Rental Revenue</b>	<b>(INR in Mn)</b>		-	1	96	110	112	126	126	129	145	145
<b>Total Security Deposit</b>	<b>(INR in Mn)</b>		-	13	70	70	70	70	70	70	70	70
<b>CAM Inflow</b>			-	-	-	-	-	-	-	-	-	-
Leased area	(INR in Mn.)		-	5	34	36	38	40	42	44	46	48
<b>Total CAM Inflow</b>	<b>(INR in Mn.)</b>		-	5	34	36	38	40	42	44	46	48
<b>Interest on Security Deposit</b>	<b>(INR in Mn.)</b>		-	1	4	4	4	4	4	4	4	4
<b>Parking Revenue</b>			-	-	-	-	-	-	-	-	-	-
<b>Total Car Parking Revenue - Area to be leased</b>			-	-	-	-	-	-	-	-	-	-
<b>Other Income</b>			-	-	-	-	1	1	1	1	1	1
<b>Income Support</b>			-	-	-	-	-	-	-	-	-	-
<b>Total Inflows</b>	<b>(INR in Mn.)</b>		-	7	135	150	154	170	172	177	196	198
<b>NOI</b>	<b>(INR in Mn.)</b>		-	0	104	118	121	136	136	139	156	157
<b>Net Cashflows</b>	<b>(INR in Mn.)</b>		(279)	(225)	105	121	124	139	139	142	159	159
<b>Terminal Value</b>	<b>(INR in Mn.)</b>		-	-	-	-	-	-	-	-	-	2,037
<b>Brokerage</b>	<b>(INR in Mn.)</b>		-	-	-	-	-	-	-	-	-	20
<b>Total Cashflow</b>	<b>(INR in Mn.)</b>		(279)	(225)	105	121	124	139	139	142	159	2,176
<b>Discount Rate</b>	<b>(%)</b>	13.00%										
<b>NPV</b>	<b>(INR in Mn.)</b>	<b>671</b>										

Therefore, the estimated Market Value of G1 Share in the property for future development area is as **INR 671 Million**.



## 8.1 Summary

Based on the Income Approach (Discounted Cash Flow Method), below are the estimated market value of subject development based on assets type and development status.

Market Value of G1 in the Project	INR in Mn
Leased as on date of Valuation	49,494
Future Development	671
Value of G1 share of MIOP cashflows after March 2054 <sup>2</sup>	213
<b>Total</b>	<b>50,378</b>

Also, NPV of MIOP is as follows:

Market Value of MIOP in the Project	INR in Mn
MIOP – NPV as on March 31, 2025	1,710

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<sup>2</sup> Upon termination of the Service Agreement between G1 and MIOP



## 9 CONCLUSION

We are of the opinion that the estimated **Market Value / NPV of the Property** of the Subject Property comprising a total leasable area admeasuring 37,98,366 Sq. ft, spread on a plot area 25.187 acres located at Candor TechSpace IT/ITeS, Village Tikri, Sector 48, Gurgaon, Haryana, as on March 31<sup>st</sup>, 2023, has been estimated as:

**INR 50,378 Million**

**(Indian Rupees Fifty Billion Three Hundred Seventy-Eight Million Only)**

NPV of MIOP is as follows:

Market Value of MIOP in the Project	INR in Mn
MIOP – NPV as on March 31, 2025	1,710

For and on Behalf of

**ANVI Technical Advisors Pvt Ltd**

**Registered Valuer Entity, IBBI Reg No: IBBI/RV-E/02/2019/101**

VENKATA  
DURGA SWAMY  
SRINIVAS  
MUMMIDISETTY

Digitally signed by VENKATA DURGA SWAMY SRINIVAS MUMMIDISETTY  
DN: cn=IN, o=Personal,  
c=IN, email=99956913355@sub0e323d3496873b  
e218a0932d9a53eeb583a95d5e66af38,  
postalCode=530016, st=Andhra Pradesh,  
serialNumber=468022669a746e0157696578  
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2915, cn=VENKATA DURGA SWAMY  
SRINIVAS MUMMIDISETTY  
Date: 2023.05.17 17:24:53 +05'30'

**Srinivas MVDS**

Director

ANVI Technical Advisors Pvt Ltd

AYYAGARI  
SRINIVASA  
AJAY  
SHARMA

Digitally signed  
by AYYAGARI  
SRINIVASA AJAY  
SHARMA  
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**Ajay Sharma A S, MRICS**

Managing Director

Valuation Services

# 10 Appendix

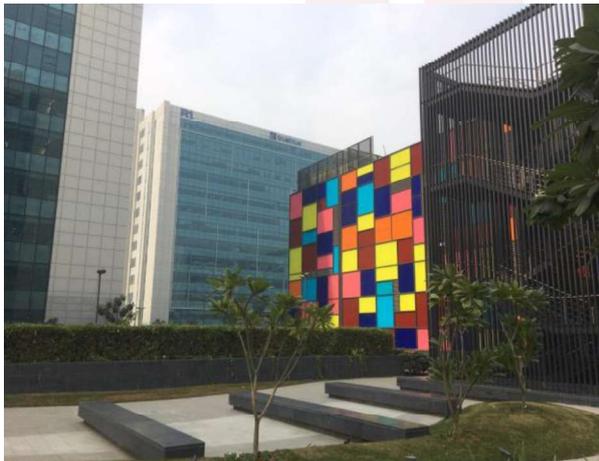
## Appendix I | Property Snapshots



View of the Subject Property



View of the Subject Property



View of the Subject Property



View of the Subject Property



View of the Subject Property



View of the Access Road



Appendix II | Layout Plan

**CANDOR**  
TechSpace

IT/ITES SEZ, Sec - 48,  
Gurugram





## Appendix III | Caveats and Assumptions

### DEFINITIONS

- 1.1 In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:
- 'Confidential Information'** means information that:
- (a) Is by its nature confidential.
  - (b) Is designed by Us as confidential.
  - (c) You know or ought to know is confidential.
  - (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.
  - (e) You or Your affiliates provide to Us for the purposes of the Services.
- 'Currency Date'** means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.
- 'Fee'** means the amount agreed to be paid for the Services as set out in the Quotation.
- 'Parties'** means You or Us as the context dictates.
- 'Quotation'** means the written quote provided by Us in relation to the Services.
- 'Services'** means the valuation services provided pursuant to these terms and conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.
- 'The Property'** means the assets which are subject of our appointment as your advisor. This may include land, buildings, plant & equipment and other assets as described in the appointment agreement.
- 'We', 'Us', 'Our', 'Colliers'** means Colliers International Limited.
- 'You', 'Your', 'Client'** means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.
- 'Professional Property Practice Standards'** refers to RICS Valuation - Professional Standards, or appropriate standards.

### 2. PERFORMANCE OF SERVICES

- 2.1 We have provided the Services in accordance with:
- a) The Terms and Conditions contained herein; or
  - b) As specifically instructed by You for the purpose of the Services; and
  - c) Within the current provisions set by the prevailing Professional Property Practice Standards.

### 3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated, no detailed on-site measurements have been taken.



- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property

**4. ENVIRONMENT AND PLANNING**

- 4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show the site is contaminated, our valuation may require revision.

**5. BUILDING AREAS**

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards
- 5.2 If you do not provide Us with a survey, We will estimate building areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment

**6. OTHER ASSUMPTIONS**

- 6.1 Unless otherwise notified by You, We will assume:
  - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the title.
  - (b) All licences and permits can be renewed and We have not made any enquiries in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural / dilapidation reports), we will rely upon the apparent expertise of such experts / specialists. We will not verify the accuracy of this information or reports and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the Client has provided us, to the best of its knowledge, with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the market value of the property is free from any influence and/ or point of views of any other parties.

**7. ESTIMATED SELLING PRICE**

- 7.1 Where you instruct Us to provide an estimated selling price, You agree that the Services:
  - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
  - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of title(s) or other enquiries as to encumbrances, restrictions or impediments on title(s); or other investigations which would be required for a formal valuation.
  - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.



- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an estimated selling price.

**8. CURRENCY OF VALUATION**

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 8.2, You should not rely upon Our valuation:
- (a) After the expiry of 3 months from the Currency Date;
  - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property, or the assumptions or methodology used in the valuation report.

**9. MARKET PROJECTIONS**

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative Valuation of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

**10. YOUR OBLIGATIONS**

- 10.1 You warrant that the instructions and subsequent information supplied by You, to the best of your knowledge, contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it / they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
  - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
  - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and relying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made for any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.



10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

**11. CONFIDENTIALITY**

11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and/or the purposes as specified in the agreement, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.

11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.

11.4 Unless otherwise directed in writing by Client, SVEE Valuation and Advisory LLP and Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

**12. PRIVACY**

12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

**13. SUBCONTRACTING**

13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these terms and conditions, with Your consent.

**14. LIMITATION OF LIABILITY**

14.1 To the extent permissible under applicable laws, in no event shall SVEE Valuation and Advisory LLP and Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused, except for those as prescribed by law

14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (examples being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of SVEE Valuation and Advisory LLP and Colliers International. Notwithstanding this, SVEE Valuation and Advisory LLP and Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report, except as per law.

14.3 Neither SVEE Valuation and Advisory LLP and Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons / judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.

14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.

14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.



14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error / offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent .

services of a similar nature, we are only to be held liable for an amount of three times Our contracted fee for the assignment per property.

14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.

14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorised party.

14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.

14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work

**15. ENTIRE AGREEMENT**

15.1 No further agreement, amendment or modification of these terms and conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.

15.2 If there is inconsistency between these terms and conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.

15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated.

**16. ANTI BRIBERY AND CORRUPTION MEASURES**

16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.

16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own asset

# We are enterprising.

We maximize the potential of property to accelerate the success of our clients and our people.

Our expert advice to property occupiers, owners and investors leads the industry into the future. We invest in relationships to create enduring value. What sets us apart is not what we do, but how we do it. Our people are passionate, take personal responsibility and always do what's right for our clients, people and communities. We attract and develop industry leaders, empowering them to think and act differently to drive exceptional results. What's more, our global reach maximizes the potential of property, wherever our clients do business.

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