

October 22, 2020

To

The Corporate Relations Department
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

The Corporate Relations Department
Department of Corporate Services
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001.

Re: Scrip Code 542602; Scrip Code 959990, 958770 and 959074 (NCD's) and Scrip Symbol "EMBASSY"

Dear Sir/Madam,

Subject: Resolutions of the Board of Directors of the Manager passed by way of Circulation

Ref: Intimation regarding proposed acquisition pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 19 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

We wish to inform you that the Board of Directors of Embassy Office Parks Management Services Private Limited, Manager to Embassy Office Parks REIT ("**Embassy REIT**") passed, *inter-alia*, the following resolution by way of circulation:

1. Approved the acquisition of the property maintenance services ("**CAM**") business in relation to Embassy Manyata Business Park, Bengaluru and Embassy TechZone, Pune (collectively, the "**Manyata and TechZone CAM Businesses**") by Manyata Promoters Private Limited ("**MPPL**") (an existing SPV of Embassy REIT) and Embassy Office Parks Private Limited ("**EOPPL**") (an existing holding company of Embassy REIT) respectively, from Embassy Services Private Limited, a related party to the Embassy REIT, in each case as a going concern pursuant to business transfer agreements (the "**Proposed Transaction**").

The Proposed Transaction enables full integration and overall alignment of property maintenance for two of existing REIT assets and helps further enhance service delivery to the occupants of Embassy Manyata Business Park and Embassy TechZone especially important given the heightened focus on health and safety by occupiers. The acquisition consideration is at a discount of 8.5 per cent to the average of two independent valuation reports and on a proforma basis the Proposed Transaction would be Net Operating Income ("**NOI**") accretive and Distribution per Unit ("**DPU**") accretive for Embassy

Embassy Office Parks Management Services Pvt. Ltd.

Embassy GolfLinks Business Park, Pebble Beach, Off International Ring Road, Bangalore - 560071.
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EMBASSY OFFICE PARKS



REIT. For further details in respect of the proposed transaction, please refer to the copy of the press release, enclosed herewith as **Annexure I**.

The Proposed Transaction is subject to completion of customary conditions precedent. The details of the Proposed Transaction are set out at **Annexure II**.

Additionally, we have enclosed two valuation report, dated October 20, 2020, issued by Mr. Manish Gupta, the independent valuer of the Embassy REIT, with value assessment services provided by CBRE South Asia Private Limited, and valuation report dated October 18, 2020, issued by Mr. Shubhendu Saha, a valuer as defined under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 ("**REIT Regulations**"), with Independent review report provided by Cushman and Wakefield India Private Limited, in connection with the acquisition of the Manyata and TechZone CAM Businesses. The abovementioned valuation reports are enclosed as **Annexures III** and **IV**.

Kindly take the above on record.

Thank you.

Yours sincerely,

For and on behalf of Embassy Office Parks REIT acting through its Manager, Embassy Office Parks Management Services Private Limited

Deepika Srivastava
Company Secretary and Compliance Officer
A23654

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Embassy REIT to Acquire Property Maintenance Business of Existing REIT Properties at Embassy Manyata and Embassy TechZone, from Embassy Group

Bengaluru, India – October 22, 2020

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) (**Embassy REIT**), India's first listed Real Estate Investment Trust and the largest in Asia by area, today announced that the Board of Directors of Embassy Office Parks Management Services Private Limited (**EOPMSPL**), Manager to Embassy REIT, in its meeting held earlier today, approved the acquisition of the property maintenance business of Embassy Manyata Business Park in Bengaluru ('Embassy Manyata') and of Embassy TechZone in Pune ('Embassy TechZone') from an Embassy Group affiliate. Embassy Manyata and Embassy TechZone are part of Embassy REIT's existing asset portfolio and the acquisition further integrates 20.3 msf of property maintenance business to the existing 9.9 msf properties already directly managed by Embassy REIT.

Michael Holland, Chief Executive Officer of Embassy REIT said, *"In addition to enhancing our operating income, this transaction fully integrates and aligns property management for all REIT assets and helps further strengthen operational relationships with our occupiers. It will allow us to enhance service delivery, which is particularly important to our occupiers as they finalize 'Back to Workplace' strategies."*

Embassy REIT is acquiring the property maintenance businesses from Embassy Services Private Limited, an Embassy Group affiliate and expects to fund the consideration by issuing coupon bearing debt at the REIT level. This strategic acquisition is expected to be Net Operating Income ('NOI') accretive and Distribution per Unit ('DPU') accretive, and positively enhances REIT's ability to respond with increased agility to its occupiers' needs and address their safety concerns during the current pandemic situation. On closing, Embassy REIT will own the property management service delivery for all its fully owned properties. The transaction is subject to completion of customary conditions precedent and is expected to be completed on or before 3Q FY2020-21.

Transaction Highlights

- Acquisition cost of ₹4,740 million to be funded through coupon bearing debt at REIT level. Acquisition consideration is at 8.5% discount to average of two independent valuation reports
- Proposed transaction is expected to be 2.3% NOI accretive and 0.5% DPU accretive in its first year on a proforma basis (considering FY2019-20 actual NOI and DPU for the REIT as the basis)
- Acquisition of property maintenance businesses of two of Embassy REIT's largest assets further enhances service delivery to occupiers, especially important given the heightened health and safety focus by occupiers
- Strong framework in place regulating related party transaction including two independent third party valuations and affiliated board members abstaining from approval vote



Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited ("the Manager") in its capacity as the Manager of the Embassy Office Parks REIT ("Embassy REIT"), and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of Embassy REIT. This press release also contains certain financial measures which are not audited, reviewed or measures determined based on GAAP, Ind-AS or any other internationally accepted accounting principles, and the recipient should not consider such items as an alternative to the historical financial results or other indicators of the Embassy REIT's cash flow based on Ind-AS or IFRS.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Manager. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of COVID-19 on us, our occupiers and the Indian and global economies, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

About Embassy REIT

Embassy Office Parks is India's first publicly listed Real Estate Investment Trust (REIT). Listed in April 2019, we own and operate a 33.3 million square feet (msf) portfolio of seven infrastructure-like office parks and four city-centre office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune, and the National Capital Region (NCR). Embassy Office Parks' portfolio comprises 26.2 msf completed operating area, has an occupancy of 92.2% as of June 30, 2020, and is home to many of the world's leading companies as occupiers. The portfolio also comprises strategic amenities, including two operational business hotels, two under-construction hotels, and a 100MW solar park supplying renewable energy to park occupiers.

For more information please contact:

Ritwik Bhattacharjee

Head of Investor Relations

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Annexure II

Acquisition of Manyata and TechZone CAM Businesses

S. No.	Particulars	Description
1.	Name of the target entity, details in brief such as size, turnover, etc.	<p>Target Businesses:</p> <p>(i) Business of providing property maintenance services to the occupants of Embassy Manyata Business Park, Bengaluru (“Manyata CAM Business”) to be acquired by Manyata Promoters Private Limited (“MPPL”), an existing SPV of the Embassy REIT, from Embassy Services Private Limited (“ESPL”), as a going concern pursuant to a business transfer agreement; and</p> <p>(ii) Business of providing property maintenance services to the occupants of Embassy TechZone, Pune (“TechZone CAM Business” and together with the Manyata CAM Business, the “Manyata and TechZone CAM Businesses”) to be acquired by Embassy Office Parks Private Limited (“EOPPL”), an existing holding company of the Embassy REIT, from ESPL, as a going concern, pursuant to a business transfer agreement.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms’ length”?	<p>Yes. The acquisition of Manyata CAM Business by MPPL, and the acquisition of TechZone CAM Business by EOPPL, in each case, from ESPL, are related party transactions under the REIT Regulations.</p> <p>The acquisition of the Manyata and TechZone CAM Businesses are being undertaken on an arm’s-length basis.</p> <p>In accordance with Regulation 19(5)(b)(i) of the REIT Regulations and Embassy REIT’s policy on related party transactions, the approval of the Unitholders is not required to be obtained (under Regulation 22(5) of the REIT Regulations).</p>

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S. No.	Particulars	Description
3.	Industry to which the entity being acquired belongs	Business undertakings comprising provision of property maintenance services to occupants of Embassy Manyata and Embassy TechZone, integrated office parks which are existing assets of Embassy REIT, located in Bengaluru and Pune respectively.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The acquisition of Manyata and TechZone CAM Businesses will, <i>inter alia</i> , enable integration, overall alignment and control over service delivery of property-level facility management to occupants of Embassy Manyata and Embassy TechZone, both integrated office parks which are existing assets of Embassy REIT. The Manyata and TechZone CAM Businesses are in the line of business of Embassy REIT.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	Not applicable.
6.	Indicative time period for completion of the acquisition	Third Quarter (Q3) of Financial Year ending March 31, 2021, subject to completion of conditions precedent.
7.	Nature of consideration – whether cash consideration or share swap and details of the same	Consideration will be paid in the form of issuance of unlisted, unsecured, redeemable non-convertibles debentures of MPPL and EOPPL, as applicable to ESPL and assumption (and repayment) of identified liabilities of ESPL.
8.	Cost of acquisition or the price at which the shares are acquired	The cost of acquisition is the enterprise value attributed to the Embassy Manyata and Embassy TechZone CAM Business, each of which are as set out below: (i) Manyata CAM Business: Rs.3,814 million; and (ii) TechZone CAM Business: Rs.926 million.
9.	Percentage of shareholding/control acquired and/or number of shares acquired	Not applicable.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation,	ESPL is a private limited company incorporated in India on September 28, 1995. ESPL carries on the business of provision of property and common area maintenance

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S. No.	Particulars	Description
	history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	services for various office parks, including Embassy Manyata and Embassy TechZone. The turnover of ESPL in the last three financial years is: Rs. Rs.5,069.87 million (Financial Year 2019-20) Rs. 7,136.31 million (Financial Year 2018-19); and Rs. 5,590.63 million (Financial Year 2017-18). ESPL has a business presence in India.

For and on behalf of Embassy Office Parks REIT acting through its Manager, Embassy Office Parks Management Services Private Limited

Deepika Srivastava
Company Secretary and Compliance Officer
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FINAL VALUATION REPORT

COMMON AREA MAINTENANCE SERVICE BUSINESS
CASHFLOWS – EMBASSY MANYATA AND EMBASSY
TECHZONE

REPORT DATE: 20 OCTOBER 2020

SF-0000976096

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1 Instruction

Mr. Manish Gupta (Founder and Partner, **iVAS Partners**) has been instructed by **Embassy Office Parks Management Services Private Limited (in its capacity as Manager to the Embassy REIT) (the 'Client')** to advise upon the Market Value (MV) of the cashflows accrued by ESPL (Embassy Services Private Limited) by providing Common Area Maintenance (CAM) services to EOPPL, managing entity of Embassy TechZone and MPPL, managing entity of Embassy Manyata. Based on the input from the Client, we understand that currently the CAM services for Embassy Manyata and Embassy TechZone are managed by ESPL (Embassy Services Private Limited) through separate CAM contracts with the tenants.

CBRE has been instructed by the Client to be the **'Value Assessment Service Provider'** for providing market intelligence to the 'Valuer' (Mr. Manish Gupta, Founder and Partner, **iVAS Partners**) and forecasting cash flows from the CAM Service Business for the respective assets. The Valuer has utilized the market intelligence provided by CBRE and independently reviewed the cash flows to arrive at the Market Value of the CAM Service Business in the respective underlying assets in accordance with the requirements under the SEBI (REIT) Regulations 2014. Mr. Manish Gupta (Founder and Partner, **iVAS Partners**) and CBRE are collectively referred to as the Consultants for the purpose of this report.

1.1 Purpose

The Valuer understands that the valuation is required by the Client for acquisition purposes.

1.2 Reliant Party

The Reliant Party to the valuation report will be **Embassy Office Parks Management Services Private Limited (in its capacity as Manager to the Embassy REIT) (the 'Client', the 'Reliant Party')**. This report can be included in any information memorandum, transaction document, communication to the unitholders, regulatory filings and any other material in connection with the proposed acquisition by the Embassy REIT.

1.3 Limitation of Liability

- The 'Consultants' provide the Services exercising due care and skill, but the 'Consultants' do not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the 'Consultants' shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to the 'Consultants' by the Instructing Party.
- The Consultants' maximum aggregate liability for claims arising out of or in connection with the Valuation Report, under this contract shall not exceed Indian Rupees 30 million.
- In the event that any of the Sponsor, Manager, Trustee, Embassy REIT in connection with the report be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Valuation Report, the Claim Parties will be entitled to require the 'Consultants' to be a necessary party/ respondent to such claim and the 'Consultants' shall not object to their inclusion as a necessary party/ respondent. If the 'Consultants' do not co-operate to be named as a

necessary party/ respondent to such claims or co-operate in providing adequate/ successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the 'Consultants' in this regard and the Consultants' liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.

- The Consultants 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.

1.4 Scope of Services

Services will be provided solely for the benefit and use of the Reliant Party(ies) by the valuer. The report(s) and valuation(s) may not be used for any other purpose other than the expressly intended purpose as mentioned in the report(s). They are not to be used, circulated, quoted or otherwise referred to for any other purpose, nor are they to be filed with or referred to in whole or in part in any document without the prior written consent of the Consultants where such consent shall be given at the absolute, exclusive discretion of the Consultants. Where they are to be used with the Consultants' written consent, they shall be used only in their entirety and no part shall be used without making reference to the whole report unless otherwise expressly agreed in writing by the Consultants.

Any reliance by any party other than the Reliant Party on the valuation report will be on their own accord. The Consultants do not purport to provide a site or structural survey in respect of the property(ies) to be valued. The Consultants do not purport to be suitably qualified to provide professional advice in respect of building or site contamination. The Reliant Party(ies) should seek independent advice on these issues. The Services are provided on the basis that the Instructing Party has disclosed to the Consultants all information which may affect the Services. All opinions expressed by the Consultants or its employees are subject to the statement of valuation policies and any conditions contained in written valuation report. The Letter of Engagement (LOE) along with amendments sets out the full scope of services that shall be covered by the valuation report.

1.5 Valuation Capability

Valuer as defined under SEBI (REIT) Regulations, 2014: Mr. Manish Gupta, Partner: iVAS Partners

iVAS Partners (Valuer Registration Number: IBBI/RV-E/02/2020/112) delivers reliable and independent valuation (across categories viz. land & building and plant & machinery), advisory and technical due diligence services, that combine professional expertise with comprehensive databases, analytics and market intelligence across various asset classes and locations in India.

Manish Gupta, Partner at iVAS Partners, is a Registered Architect with Council of Architecture (COA) and a member of the Royal Institute of Chartered Surveyors (MRICS) and Institution of Valuers (IOV), with over 12 years of experience in the real estate industry. Manish is a seasoned professional with experience in providing real estate valuation services to a wide spectrum of clients including financial institutions, private equity funds, developers, NBFCs, corporate houses, banks, resolution professionals, land owners, etc.

He has worked on variety of valuation, consulting and technical due-diligence assignments for various purposes including investment related due diligence, mortgage/collateral appraisals, financial reporting, listing purposes, IBC led requirements, etc. across a range of asset classes such as residential projects, integrated township developments, hospitality assets, commercial (office and retail) projects, industrial developments, warehousing parks, educational projects, healthcare developments, etc. for both national as well as international clients.

Value Assessment Service Provider: CBRE South Asia Pvt. Ltd.

CBRE Advisory Services India is an integral part of CBRE Global Valuation & Advisory Services team. The Global VAS team comprises of over 1,500 professionals across approximately 280 offices globally and India Advisory Services team comprises of more than 280 professionals.

CBRE Advisory Services India have completed over 80,000 valuation and advisory assignments across varied asset classes spread across 20 states and 300+ cities. CBRE provides 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. CBRE derives 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.

Our dedicated and experienced professionals provide quality services from 9 offices across India (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune and Ahmedabad). Our professionals have a varied qualification base such as Royal Institute of Chartered Surveyors (RICS) or IOV certified valuation professionals, master planners, Architects, MBA, CA, CFA, etc. and this entire multi-faceted experience helps us in achieving our commitment to provide the highest level of professional expertise to our Clients.

CBRE Advisory Services India team has substantial experience with several institutional Clients including financial institutions, real estate funds, private equity funds, developers, corporates, banks, NBFCs, etc.

1.6 Valuer's Interest

The Valuer certifies that; the Valuer does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the properties (including the parties with whom our Client is dealing, including the lender or selling agent, if any); accepts instructions to value the property only from the instructing party.

1.7 Scope of Appraisal

The appraisal has been undertaken to ascertain the market value of the CAM Business Cashflows of the subject properties (Embassy Manyata and Embassy TechZone) given the prevalent market conditions. In consideration of the same, a detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities in view of management of Common Areas at commercial developments, change in dynamics impacting the values etc.

The location, sub-market and catchment area for the commercial office spaces (CAM Business Cashflows) have been tabulated below:

Development Name	Location	Submarket	Catchment Area for the Valuation Exercise
Embassy Manyata	Bengaluru	North Bengaluru	Hebbal, Bellary Road
Embassy TechZone	Pune	Hinjewadi	Hinjewadi

A detailed assessment has been undertaken with respect to the prevalent activities in view of management of common areas, change in dynamics impacting the values and the CAM Services trends of the respective properties vis-à-vis their surrounding sub-market, etc. A primary and secondary research exercise has been carried out in the aforementioned catchment areas to ascertain the CAM Services activity of commercial developments. This has been achieved through interactions with various market players such as developers, real estate brokers, key office tenants, etc.

1.8 Scope of Services for Value Assessment Service Provider

CBRE has been engaged by the Instructing Party to provide value assessment services and accordingly, would be responsible for the below scope as part of this exercise.

- Provide market intelligence to the Valuer on the following aspects:
 - For subject property location
 - Key Office Markets
 - General market practices - CAM
 - Outlook
- Forecast CAM Business Cashflows from the subject property for the Valuer to independently review and work towards assessing the valuation of the CAM Business for the underlying assets

1.9 Qualifications

This valuation is prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards and is in compliance with the International Valuation Standards (IVS).

1.10 Disclosures

The Consultants hereby certify that:

- iVAS Partners (Valuer Registration Number: IBBI/RV-E/02/2020/112), represented by Mr. Manish Gupta (hereinafter referred to as the Valuer), is eligible to be appointed as a valuer in terms of Regulation 2(1)(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- Neither CBRE nor iVAS Partners (represented by Mr. Manish Gupta - Partner, iVAS Partners) are an associate of the instructing party

- Mr. Manish Gupta, Partner, iVAS Partners (the Valuer) has a minimum of five years of experience in the valuation of real estate
- The Valuer has not been involved with the acquisition or disposal within the last twelve months of any of the properties valued under this valuation report in the last twelve months
- The Valuer has adequate and robust internal controls to ensure the integrity of the valuation reports
- The Valuer has sufficient key personnel with adequate experience and qualification to perform services related to property valuation at all times
- The Valuer has sufficient financial resources to enable them to conduct their business effectively and meet their liabilities
- The Valuer has acquainted itself with all laws or regulations relevant to such valuation
- The valuation of assets undertaken is impartial, true and fair and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- The Valuer has conducted the valuation of the REIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise professional judgement
- The Valuer has acted with independence, objectivity and impartiality in performing the valuation
- The Valuer has discharged its duties towards the Client in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the said assignment
- The Valuer shall not accept remuneration, in any form, for performing a valuation of the REIT assets from any person other than the Embassy REIT or its authorised representatives.
- The Valuer shall before accepting any assignment from any related party to the Embassy Office Parks Management Services Private Limited, shall disclose to the Embassy Office Parks Management Services Private Limited, any direct or indirect consideration which the valuer may have in respect of such assignment
- The Valuer shall disclose to the trustee of the Embassy REIT, any pending business transactions, contracts under negotiation and other arrangements with the Instructing Party or any other party whom the Embassy REIT is contracting with and any other factors which may interfere with the Valuer's ability to give an independent and professional valuation of the property
- The Valuer shall not make false, misleading or exaggerated claims in order to secure assignments

- The Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information
- The Valuer shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Embassy REIT
- The valuation undertaken by the Valuer abides by international valuation standards

1.11 Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject to Change:	Premise 1 - The subject valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future
Our Investigations:	Premise 2 – The Consultants are not engaged to carry out all possible investigations in relation to the subject properties. Where in our report the Consultants identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where the Consultants recommend as necessary prior to reliance. The Consultants are not liable for any loss occasioned by a decision not to conduct further investigations
Assumptions:	Premise 3 - Assumptions are a necessary part of undertaking valuations. The Valuer adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of the Valuer’s expertise, or the instructions. The reliant parties accept that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation
Information Supplied by Others:	Premise 4 - The valuations are based on the information provided by the Instructing Party (Embassy Office Parks Management Services Private Limited). The same has been assumed to be correct and has been used for valuation exercise. Where it is stated in the report that another party has supplied information to the ‘Consultants’, this information is believed to be reliable but the ‘Consultants’ can accept no responsibility if this should prove not to be so
Future Matters:	Premise 5 - To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to the ‘Consultants’ at the date of this document. The ‘Consultants’ do not warrant that such statements are accurate or correct
Map and Plans:	Premise 6 – Any sketch, plan or map in this report is included to assist reader while visualizing the property and assume no responsibility in connection with such matters
Site Details:	Premise 7 - Based on information provided by the Client, the Valuer understands that the subject properties are free from any encroachments and are available as on the date of the valuation
Property Title:	Premise 8 – Not Applicable
Environmental Conditions:	Premise 9 – The Valuer has assumed that the subject properties are not contaminated and are not adversely affected by any existing or proposed environmental law and any processes which are carried out on the properties are regulated by environmental legislation and are properly licensed by the appropriate authorities
Town Planning:	Premise 10 - The current zoning of the subject property has been adopted on the basis of review of various documents (viz. annual report) provided by the Instructing Party and the current land use map for the subject region. The same has been considered for the purpose of this valuation exercise. Further, it has been assumed that the development on the subject property adheres/ would adhere to the development regulations as prescribed by the relevant authorities. The Valuer has not made any enquiries with the relevant development authorities to validate the legality of the same.
Area:	Premise 11 - The total leasable area considered for the purpose of this valuation exercise is based on the rent rolls/ Architect certificate provided by the Instructing Party. It must be noted that the above information has been provided by the Client and has been verified based on the approvals/ layout plans/building plans provided by the Client. However, the Valuer has not undertaken additional verification and physical measurement for the purpose of this valuation exercise
Condition & Repair:	Premise 12 - In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
Valuation Methodology:	<p>Premise 13 – For the purpose of this valuation exercise, the valuation methodology adopted is Discounted Cash Flow method.</p> <p>The Discounted Cash Flow Methodology is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The result is the best estimate of value The Valuer can produce, but it is an estimate and not a guarantee and it is fully dependent upon the accuracy of the assumptions as to income, expense and market conditions. This methodology uses market derived assumptions, including discount rates, obtained from analysed transactions.</p> <p>Where reliance has been placed upon external sources of information in applying the valuation methodologies, unless otherwise specifically instructed by Client and/or stated in the valuation, the Valuer has not independently verified that information and does not advice nor accept it as reliable. The person or entity to whom the report is addressed acknowledges</p>

	and accepts the risk that if any of the unverified information in the valuation is incorrect, then this may have an effect on the valuation.
Not a Structural Survey:	Premise 14 – The Valuer state that this is a valuation report and not a structural survey
Legal:	Premise 15 - Unless specifically disclosed in the report, the Valuer have not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property.
Others:	<p>Premise 16 –</p> <p>1. Considering the unorganized nature of real estate markets in India, all comparable evidence (if any) provided in the valuation report has been limited to the basic details such as the area of asset, rate at which transacted, broad location, etc. other specific details would be provided only if the information is available in public domain</p> <p>2. In arriving at the net present value of Embassy Manyata and Embassy TechZone CAM business cashflows, we have excluded capitalized value ascribed earlier by these asset SPVs in relation to market led CAM charges on a notional exit for the sake of consistency (a total of INR 1,868 Million)</p>
Additional:	<p>Premise 17 – The construction timelines for the under construction / proposed portion have been provided to us by the Client. The Valuer has assumed the same to be true and have incorporated the same for the valuation</p> <p>Premise 18 – for further information with regards to the property and the dynamics of office micro-market for the respective properties, please refer to the annual Report by Embassy REIT for FY 2020. A copy of the same is available in the investor relations website of Embassy REIT</p> <p>https://s2.q4cdn.com/482484005/files/doc_financials/2020/ar/updated/EOPR-New-Annual-Report-FY2020.pdf</p>
Limited Inspection	<p>Premise 19 – Due to the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, it has not been possible to carry out a formal inspection of the properties for the current update. Therefore, as instructed, we have relied on information provided to us by the Client/as obtained during the previous site visit, such as site photographs, site observations, construction status, etc.</p> <p>In addition, we have made enquiries through online portals and property databases wherever possible. We have made the critical assumption that the property description within this report, including details such as location, site description, improvements, floor areas, etc., which is based on the information provided and available to us, is accurate, as at the date of valuation. Whilst all attempts to verify this information have been undertaken, the report should be referred back to the Valuer should any details be proven to be incorrect, as at date of valuation.</p>
Market Valuation Uncertainty	<p>Premise 18 – The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value.</p> <p>Our valuation of the property is therefore reported as being subject to ‘material valuation uncertainty’. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.</p> <p>For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.</p> <p>Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review.</p>

2 Valuation Certificate

2.1 Embassy Manyata CAM Business

Property Name: Embassy Manyata is an Office Park located along Outer Ring Road, Nagavara, Bengaluru, Karnataka

Property Address: Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka

Land Area: Based on the information provided by the client, we understand that the total land area of the subject property under the ownership of the Client is approximately 121.76 Acres

Brief Description: The subject property is the second largest commercial office asset in India (in terms of scale), largest in Bengaluru and is a landmark in North Bengaluru. The property is accessible through the Nagavara Outer Ring Road emanating from Hebbal. Further, the subject development is strategically located in proximity to micro-markets of Thanisandra & Hennur Road which are amongst the fastest developing vectors in North Bengaluru.

The Nagavara Outer Ring Road, connects the subject location to prominent locations such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer Ring Road, Old Madras road, etc. Further, it is located at a distance of 1-2 km from Nagavara Junction, 3-4 km from Hebbal Junction, 7-8 km from Yelahanka Junction, 11-14 km from MG Road (CBD) and 29-31 km from Kempegowda International Airport

Statement of Assets (sf): Table below highlights the leasable area under the purview of this appraisal:

Block	Total Area (sf)	Operational area (in sf)	Under Construction area (in sf)	Proposed area (in sf)
SEZ Area	10,650,357	8,347,511	1,594,846	708,000
Non – SEZ Area	4,566,608	3,859,058	-	707,550
Retail	58,083	-	58,083	
Total – Office/ Retail	15,275,048	12,206,569	1,652,929	1,415,550

Source: Management representation

Interest Valued: Freehold

(for the purpose of this exercise, the interest valued corresponds to 100% business interest in the CAM Service Business Cash flows of the freehold asset)

Valuation Approaches:

Valuation Approach	Completed Blocks	Under Construction/ Land Stage Blocks
CAM Service Business Cash Flows	Discounted Cash Flow Method (using rent reversion approach)	Discounted Cash Flow Method (using rent reversion approach)

Date of Valuation: September 30, 2020

Date of Inspection: Not Applicable. Due to the outbreak of Novel Coronavirus (COVID-19), declared by the World health Organisation as a “Global Pandemic” on 11th March 2020, it has not been possible to carry out a formal inspection of the property for the current update.

Purchase Price for the property:	Not applicable
Ready Reckoner Rate (as per documents published by State Government):	Not applicable (interest correspond to the CAM Service Business Cash flows of the underlying asset)
Value Conclusion as of September 30, 2020:	INR 3,852 Million
Assumptions, Disclaimers, Limitations & Qualifications	This valuation report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report which are made in conjunction with those included within the Assumptions, Disclaimers, Limitations & Qualifications section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

2.2 Embassy TechZone CAM Business

Property Name: 'Embassy TechZone' is an office park located in Phase 2, Rajiv Gandhi Infotech Park, Hinjewadi, Pune, Maharashtra

Property Address: Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji, Taluka Mulshi, District Pune, Maharashtra

Land Area: Based on the information provided by the client, we understand that the total land area of the subject property under the ownership of the Client is approximately 67.45 acres

Brief Description: 'Embassy TechZone', has been conceptualized as an office park spread across a total land area of approximately 67.45 acres. The property is an operational IT office park leased to various tenants and is also well equipped with number of facilities and amenities like food court, amphitheatre, intra park shuttles, gymnasium, multilevel car parking, sports ground, etc. 'Embassy TechZone' is strategically located in Hinjewadi which is a prominent commercial technology hub of Pune city. 'Embassy TechZone' is located at a distance of approximately 5 – 6 km from National Highway 48 (Connecting Mumbai – Pune – Bengaluru), 20 – 21 km from Pune CBD (Peth areas), 20 – 21 km from Pune Railway Station and approximately 26 - 27 km from Pune International Airport.

Statement of Assets (sf): Table below highlights the leasable area under the purview of this appraisal:

Component	Completed Leasable area (in sf)	Under Construction area (in sf)	Proposed Development area (in sf)
Office	2,151,630	880,615	2,392,587
Other ~ Food court, training centre, etc.	8,425	-	-
Total	2,160,055	880,615	2,392,587

Source: Management representation

Interest Valued: Leasehold (viz. remaining tenure of 80 years)
(for the purpose of this exercise, the interest valued corresponds to 100% business interest in the CAM Service Business Cash flows of the leasehold asset)

Valuation Approaches:

Valuation Approach	Completed Blocks	Under Construction/ Land Stage Blocks
CAM Service Business Cash Flows	Discounted Cash Flow Method (using rent reversion approach)	Discounted Cash Flow Method (using rent reversion approach)

Date of Valuation: September 30, 2020

Date of Inspection: Not Applicable. Due to the outbreak of Novel Coronavirus (COVID-19), declared by the World health Organisation as a "Global Pandemic" on 11th March 2020, it has not been possible to carry out a formal inspection of the property for the current update.

Purchase Price for the property: Not applicable

Ready Reckoner Rate (as per documents published by State Government): Not applicable (interest correspond to the CAM Service Business cash flows of the underlying asset)

Value Conclusion as of September 30, 2020: INR 1,140 Million

Assumptions, Disclaimers, Limitations & Qualifications This valuation report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report which are made in conjunction with those included within the Assumptions, Disclaimers, Limitations & Qualifications section located within this report. Reliance on this report and extension of our liability is conditional upon the reader’s acknowledgement and understanding of these statements. This valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

3 Property Details

3.1 Embassy Manyata

Brief Description	
Particulars	Details
Property Name	Embassy Manyata
Address	Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka
Land Area	Based on the Client input, we understand that the total land area of the subject property under the ownership of the Client is approximately 121.76 Acres
Leasable Area (Under the purview of this appraisal)	Total Operational Area – 12.20 msf Total under-construction Area - 1.65 msf Total proposed/land stage Area – 1.42 msf

Source: Management representation

Location: On account of being accessible through the Outer Ring Road, the subject property enjoys good connectivity to other established sub-markets such as Yeshwanthpur, KR Puram, Whitefield, Sarjapur Outer ring road, etc. The location has emerged as a prominent real estate hub in the past 5-6 years, post operations commencement of the International Airport in Devanahalli. Embassy Manyata (“the subject property”) is a prominent large-scale Office Park in the sub-market, which has driven the demand for residential and other support real estate components in the region (including further office). The park is surrounded by a dense residential catchment which supports the over 100,000 people working in the park.

Organized real estate developments in the subject location are primarily limited to residential activity (with hospitality components recently concluded) and have limited presence of other real estate components such as retail, etc. The initial stretches on North Bengaluru submarket has emerged as a key commercial office market with residential projects at various stages of development to support the working population. Further to the North, the location is emerging in terms of real estate activity and majority of the developments are at various stages of construction. Howard Johnson and Country Inn Suites are the only organized hotel developments in the immediate vicinity of the subject property, whereas Elements Mall (Thannisandra) & Esteem Mall (Bellary road NH-44) are the only operational retail developments. Infrastructure initiatives such as the Elevated Expressway, Aerospace SEZ, and the proposed Devanahalli Business Park are expected to further boost infrastructure development and attract investments into North Bengaluru. In addition, planned development of Bengaluru metro connecting Nagavara in North Bengaluru will act as a major demand catalyst going forward. Additionally, the state government has proposed to connect North Bengaluru and Airport via the Nagavara – Bagalur route. It is understood that metro connectivity will be in close proximity of Embassy Manyata.

The distances from key hubs to the subject property are presented in the table below:

Landmark	Distance (km)
Nagavara Junction	1 – 2
Hebbal Junction	3 – 4
Yelahanka Junction	7 – 8
MG Road (CBD)	11 - 14
Bengaluru International Airport	29 – 31

Source: Consultants' Research

3.1.1 Area details

The table below highlights the detailed leasable area break-up under the purview of this appraisal:

Block Name	Building Elevation	SEZ/Non-SEZ	Age (Years)	Leasable Area (sft)
Completed Blocks				
Jacaranda (C1)	2B+G+4	Non-SEZ	11	310,729
Cedar (C2)	B+G+8	SEZ	11	498,527
ELM (C4)	B+G+6	SEZ	11	419,435
Alder (D1)	B+G+4	SEZ	14	223,981
Maple (D2)	B+G+3	SEZ	14	215,458
Redwood (D3)	B+G+10	SEZ	13	401,312
Cypress (D4)	B+G+10	SEZ	13	526,462
Beech (E1&FC)	B+G+3	Non-SEZ	12	164,945
Ebony (G2)	2B+G+8	SEZ	8	403,526
Aspen (G4)	2B+G+10	SEZ	8	448,743
Rosewood (K)	B+G+4	Non-SEZ	14	218,215
Magnolia (B)	B+G+3	Non-SEZ	14	280,538
Silver Fir (L6)	B+G+10	Non-SEZ	9	365,601
Mahogany (F2)	B+G+10	SEZ	11	753,358
Silver Oak (E2)	G+7	Non-SEZ	12	512,418
Pine (L5)	B+G+10	Non-SEZ	11	381,983
Eucalyptus (H1)	B+G+6	SEZ	12	376,758
Mulberry (G1)	2B+G+8	SEZ	10	403,526
Palm (F3)	2B+G+10	SEZ	7	701,204
G1-G2 Bridge (G1G2)	5	SEZ	8	48,649
Mountain Ash (H2)	2B+G+10	SEZ	7	703,376
Hazel (L3)	2B+G+10	SEZ	5	498,610
MFAR (MFAR Green)	3B+G+11	Non-SEZ	5	231,000
Teak (G3)	2B+G+10	SEZ	5	784,186
Philips (Philips)	B+G+4	Non-SEZ	14	144,736
Banyan & Willow (Block L1 – L2)	2B+G+10	SEZ	3	940,400

Block Name	Building Elevation	SEZ/Non-SEZ	Age (Years)	Leasable Area (sft)
NXT (Block A)	B+G+10	Non-SEZ	<1	793,498
Block N1	B+G+10	Non-SEZ	7	455,395*
Total				12,206,569
Under-construction Blocks				
Block M3 – Phase 1	NA	SEZ	NA	997,057
Block M3 – Phase 2	NA	SEZ	NA	597,789
Front Parcel - Retail	NA	Non-SEZ	NA	58,083
Total				1,652,929
Land Stage				
Block F-1	NA	SEZ	NA	708,000
Block L-4	NA	Non-SEZ	NA	707,550
Total				1,415,550

Source: Management representation;

*represents area located within the Embassy Manyata but not under the ownership of Embassy REIT

3.2 Embassy TechZone

Brief Description	
Particulars	Details
Property Name	Embassy TechZone
Address	Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji, Taluka Mulshi, District Pune, Maharashtra.
Land Area	Based on the Client input, we understand that the total land area of the subject property under the ownership of the Client is approximately 67.45 Acres
Leasable Area (Under the purview of this appraisal)	Total Completed Leasable Area ~ 2.16 mn sf Total Under Construction Leasable Area ~ 0.88 mn sf Total Proposed Leasable Area ~ 2.39 mn sf

Source: Management representation

Location: The subject property is a high quality open campus office park and is one of the largest developments in its submarket. The submarket is a prominent commercial technology hub of Pune city which has presence of major SEZ developments like Embassy TechZone (subject property), Quadron, Blue Ridge, Ascendas International Tech Park, etc. Further, the submarket also has presence of IT parks like Pesh Infotech, Indo Global Software Tech Park, Radius Tech Park, Panchshil Tech Park, etc. In addition, some of the campuses of IT majors such as Wipro, Infosys, Emerson Innovations, HCL, etc are also located in the submarket.

Apart from IT/ITeS developments, the subject micro-market is also witnessing an increasing residential activity primarily catering to demand of the working populace of Hinjewadi & nearby micro-markets. Key residential projects in the micro-markets includes developments by prominent players like Kohinoor Developers, Paranjape Schemes, TCG, Xrbia, Kolte Patil, Mittal Brothers, Shapoorji, etc. The subject micro-market is surrounded by other notable markets like Wakad, Tathawade, etc. which are located along the Mumbai – Bengaluru Bypass Highway. Further, the micro-market has adequate social and physical infrastructure to support the working and resident population. Some of the social infrastructure development in the micro-market include Blue Ridge Public School, Pawar Public School, Sanjeevani Hospital, Ruby Hall Clinic, etc.

The distances from key hubs to the subject property are presented in the table below:

Landmark	Distance (km)
National Highway 48 (Mumbai – Bengaluru bypass highway)	5 – 6
Pune Railway Station	20 -21
CBD (Peth Areas)	20 – 21
Pune International Airport	26 – 27

Source: Consultants’ Research

3.2.1 Area Details

The table below highlights the detailed leasable area break-up under the purview of this appraisal:

Block Name	Building Elevation	SEZ/Non-SEZ	Age (Years)	Leasable Area (sf)
Completed Blocks				
Colorado	S2+S1+G+5	SEZ	11	263,424
Mississippi	S2+S1+G+5	SEZ	11	264,783
Congo	G+10	SEZ	8	514,533
Rhine	G+8	SEZ	8	508,504
Mekong	G+9	SEZ	7	301,419
Nile	B+G+7	SEZ	10	298,967
Food Court	G+1	-	-	8,425
Total				2,160,055
Under Construction				
Hudson	NA	SEZ	NA	458,177
Ganges	NA	SEZ	NA	422,438
Total				880,615
Proposed				
Block 4	NA	SEZ	NA	472,316
Block 9	NA	SEZ	NA	978,517
Block 10	NA	SEZ	NA	941,754
Total				2,392,587

Source: Management representation

4 Valuation Rationale

4.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the cashflows accrued by ESPL (Embassy Services Private Limited) by providing CAM services to EOPPL (Embassy Office Parks Private Limited), SPV for Embassy TechZone and MPPL (Manyata Promoters Private Limited, SPV for Embassy Manyata. In addition, on the basis of information provided by the Client, we understand that apart from the comprehensive scope of CAM Services contracted with the tenants, ESPL also provides certain value added services to the tenants on the basis of specific requests. In considering the value of the cashflows, the Valuer have considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS), U.K.

4.2 Market Value

The 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’.

4.3 Approach and Methodology

The purpose of this appraisal exercise is to estimate the Market Value of the subject asset. This has been achieved by a systematic gathering, classification and analysis of data, which is required in the development as discussed below.

4.3.1 Direct Comparison Approach

‘Direct Comparison Approach involves a comparison of the asset being valued to similar assets that have actually been sold in arms - length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar assets in an open and competitive market and is particularly useful in estimating the value of the land and real estate properties that are typically traded on a unit basis.

Post obtaining the values of asset been transacted or offered for sale, as discussed above, a fair transaction value is determined based on the prevailing market dynamics.

4.3.2 Income Approach

Income Approach is based on the premise that value of an income producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of income approach in real estate valuation namely, Income Capitalization and Discounted Cash Flow (DCF).

A. Income Capitalization Method

Income capitalization involves capitalizing a ‘normalized’ single - year net income estimated by an appropriate market based yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

B. Discounted Cash Flow Method

Using this valuation method, future cash flows from the asset are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income associated with the asset. These future financial benefits are then discounted to a present day value at an appropriate discount rate.

In our opinion, it is a more accurate determinant of value than the direct capitalization method when valuing income producing assets. This method allows for explicit modelling of income associated with the asset.

4.4 Methodology Adopted

The Valuer acknowledge that the approaches to valuation differ considerably and that for a particular purpose, alternative approaches to the valuation can be utilized subject to the Client’s consultations and giving due consideration to the Client’s requirements.

As highlighted earlier, cashflows of ESPL are being valued under the scope of this appraisal and considering the objective of this exercise and the nature of asset involved, the value of the CAM Service Business Cashflows has been assessed through the **Discounted Cash Flow Method**.

4.5 Information Sources for Valuation

Table below highlights various data points referred throughout the course of this valuation report and the data sources for the same.

Particulars	Details	Units	Source
Area Details	Land Area	Acres	Annual report of FY2019-20
	Permissible FSI	Ratio / No.	Architect Certificate
	Achieved FSI	No.	Architect Certificate
	FSI Area	Sf	Architect Certificate
	Built-Up Area	Sf	Architect Certificate
	Leasable Area – Tower Wise	Sf	Architect Certificate
	Leasable Area – Future Development	Sf	Architect Certificate
	No. of Floors	No.	Occupancy Certificate
	Stacking Plan	NA	Client/ Lease deeds
	No. of Basements	No.	Architect Certificate/ Sanctioned Plan/ Occupancy Certificate
Car Parking Area	Sf	Architect Certificate	

Particulars	Details	Units	Source
	Number of car parks	No.	Architect Certificate
Documents/ Approvals	Land Use / Zoning	NA	Zoning Plan
	Title Deeds	NA	Not applicable
	Approved Sanction Plan	NA	Copy as applicable
	Building Plan / Site Plan	NA	Copy as applicable
	Floor Plans	NA	Copy as applicable
	Height Clearance Approvals (AAI)	NA	Copy as applicable
	Fire NOC	NA	Copy as applicable
	Environment Clearance	NA	Copy as applicable
	Commencement Certificate	NA	Copy as applicable
	Occupancy Certificate	NA	Block-wise occupancy certificate
	Building Certification	NA	Client (as applicable)
	Lease Agreements with Tenants	NA	Lease deeds
	Sample CAM Agreements	NA	Client
CAM Related	Leased Area	Sf	Client
	Vacant Area	Sf	Client
	CAM EBTIDA for FY19-20	INR Million	Client
	CAM contract between ESPL, EOPMSPL, EOPPL & MPPL	NA	Client
Exit Assumptions	Capitalization Rate	%	Valuer Assessment
	Quarter of Capitalization	Quarter, Year	Valuer Assessment
	Discount Rate	%	Valuer Assessment
	Transaction cost on Exit	%	Valuer Assessment
Absorption Timelines (for vacant space)	Respective spaces in each development	Quarter, Year	Consultants' Assessment

4.6 Value Assessment

4.6.1 CAM Service Business – ESPL, EOPMSPL, EOPPL AND MPPL

As per the agreement signed on 11th March 2019, **MPPL** (Manyata Promoters Private Limited) - the SPV for Embassy Manyata, Bengaluru which is one of the assets held by Embassy REIT and **EOPMSPL** (Embassy Office Parks Management Services Private Limited) - managing entity of Embassy REIT entered into an agreement with **ESPL** (Embassy Services Private Limited) to appoint ESPL as the service provider for Embassy Manyata with necessary infrastructure and manpower to carry out the services.

As per the agreement signed on 18th December 2014, **EOPPL** (Embassy Office Parks Private Limited) - the SPV for Embassy TechZone, Pune which is one of the assets held by Embassy REIT and **EOPMSPL** (Embassy Office Parks Management Services Private Limited) - managing entity of Embassy REIT entered into an agreement with **ESPL** (Embassy Services Private Limited) to appoint ESPL as the service provider for Embassy TechZone with necessary infrastructure and manpower to carry out the services.

EPDPL (Embassy Property Developments Private Limited) is currently the holding company for **ESPL**, wherein ESPL is its subsidiary. The purpose of this appraisal is to ascertain the present market value of the service related cashflows that ESPL accrues from management of Embassy Manyata and Embassy TechZone as per the said contracts, for EOPMSPL to acquire ESPL's CAM Service Business cashflows from EPDPL and with the said acquisition the CAM Service Business for the two Embassy REIT assets (Embassy Manyata and Embassy TechZone) will fall in the portfolio of Embassy REIT.

4.6.2 Critical Assumptions

The table highlights the assumptions adopted basis the inputs provided by the management:

<i>Particulars</i>	<i>Unit</i>	<i>Embassy Manyata</i>	<i>Embassy TechZone</i>
Common Area Management Services EBITDA (for FY2019-20)	INR Mn	410	72
Average Occupied Area (for FY2019-20)	Mn sft	11.4	2.0
Vacancy Provision	%	2.5%	2.5%

Source: Management Input;

Based on the market research, we understand that the CAM charge for various Grade-A commercial developments in North Bengaluru sub-market ranges from INR 10.5 - 13 per sft per month (say INR 11.0 inclusive of 20.0 % margin). The CAM charge for various Grade-A commercial developments in the Hinjewadi sub-market ranges from INR 12.0 – 14.0 per sft per month (say INR 13.0 inclusive of 15.0% margin). Embassy Manyata and Embassy TechZone currently commands above average CAM Charges and superior margins and in CBRE's opinion this is due to the quality and comprehensive scope of CAM Services being provided by Embassy Manyata and Embassy TechZone along with various other value add services provided to the tenants on the basis of specific requests. For the purpose of this valuation, we are of the opinion that the margin could potentially get normalized in the long term to market and accordingly, we have assumed that at the time of the notional exit, the EBITDA gets aligned to market.

4.6.3 Common Area Maintenance Escalations

Based on analysis of a few existing CAM contracts signed with tenants, it was observed that the typical escalation clause in the subject property is approx. 5%, every year, which is in-line with the trend observed in the market. The same has been adopted by Valuer for the leased area and vacant area in completed blocks and proposed blocks. In addition, based on the information provided by the Client, we have assumed an escalation of 5% every 3 years for the maintenance charges to ESPL viz. INR 0.5 per sft per month as on date under a pure fee model.

4.6.4 Capitalization Rates

The cashflows in consideration are dependent on the commercial office space maintained by the CAM Service provider and hence the Capitalization rate to adopted for these cashflows is assumed to be similar to the capitalization rate that would have been adopted if the commercial space itself was under the purview of appraisal

The capitalization rate adopted for valuing CAM Service Business Cashflows for Embassy Manyata and Embassy TechZone has been based on factors such as:

- Historical entry yields (going in cap rates) for yield/ core office asset transactions across various key markets in India which have steadily shown a downward trend over last 7 - 8 years from 10.5-11.5% to about 7.5% - 8.5% in 2018-2019.
- The increased appetite for income producing assets and availability of various modes of finance (real estate credit flows) backing such acquisitions
- The demand supply situation in Bengaluru and expected dynamics of demand leading supply - given the barriers to entry such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction)
- Inflation – inflation (and interest rates) expected to be maintained in check with interventions from regulators in case of severe swings

Based on the above highlighted attributes, the cap rate adopted for the purpose of our valuation is:

Asset/ Property Name	Particular
Embassy Manyata (CAM Service Business Cashflows)	8.00%
Express TechZone (CAM Service Business Cashflows)	8.25%

4.6.5 Discount Rate

The cashflows in consideration are dependent on the commercial office space maintained by the CAM Service provider and hence the discount rate to adopted for these cashflows is assumed to be similar to the discount rate that would have been adopted if the commercial space itself was under the purview of appraisal

For discounting the cash flows, the appropriate discounting rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC).

Cost of Equity

The Valuer has computed the cost of equity as per the Capital Asset Pricing Model (CAPM), which is derived as follows:

$$\text{Cost of equity} = \text{Risk Free Rate (Rf)} + \text{Beta } (\beta) * (\text{Market Return (Rm)} - \text{Risk Free Rate (Rf)})$$

As mentioned above, the cost of equity computed using CAPM constitutes of the following components:

- Risk free rate (Rf) i.e. long term (10-year) treasury bond rate in India
- Market return (Rm) based on the returns of Broad Based BSE 500 stock index for the past 10 to 15 years
- Computation of 'Beta (β)' of key listed realty stocks in India with respect to the Broad Based BSE 500 stock index

The cost of equity adopted for specific projects has been adjusted for market/ project specific risk pertaining to a real estate project such as execution risk (construction status), approval risk, marketing risk etc. and adjusted for taxation. While the assumptions regarding the quantum of these risks have no quantitative basis, the Valuer have adopted them based on our understanding of the market and our opinion on the project performance

Cost of Debt

The cost of debt for as if completed has been considered based on prevalent Lease Rental Discounting (LRD) rates for Grade A office parks within Bengaluru and Pune city.

For under construction/ proposed block, the cost of debt has been considered based on prevalent Construction Finance (CF) rates for Grade A office parks across Bengaluru and Pune Market.

Weighted Average Cost of Capital

As highlighted earlier, the cost of debt for completed developments has been assumed based on the prevalent LRD rates while the cost of equity assumed has been adjusted for asset and market specific attributes to reflect the market expectations from an operational Grade A office development.

Based on above, the following WACC rate has been assumed for office blocks at Embassy Manyata and Embassy TechZone:

For Completed Areas:

Component	Proportion	Component Cost
Debt	45%	9.0%
Equity	55%	14.5%
WACC		12.03%

For Under-construction/Proposed Areas:

Component	Proportion	Component Cost
Debt	60%	11.0%
Equity	40%	16.0%
WACC		13.00%

4.7 Value of the Common Area Maintenance Service Cashflows

Based on the above-mentioned analysis, the value of the subject CAM Service Business Cashflows is estimated as follows:

Particulars	INR Mn
Embassy Manyata	3,852
Embassy TechZone	1,140

5 Valuation Conclusion

As per instruction from the Client, the date of assessment of cash flows is as of 30th September 2020

The Valuer verifies that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct, and have been verified wherever possible
- All possible factors affecting the value of the subject property were considered
- The analysis, opinions and conclusions reported herein are unbiased views and are limited only by the Underlying Assumptions and Limiting Conditions and other qualifications contained herein
- The Valuer has no past, present or contemplated (prospective) future interest in the real estate that is the subject of this report and the Valuer have no personal interest or bias with respect to the parties involved
- These appraisals and the procedures related thereto follow the Codes of Ethics and the Standards of Professional Practice of the professional institution noted

Based on information provided by the Client, subsequent market analysis and configuration (size and location) of the subject property, The Valuer’s opinion on the market value of the CAM Service Business Cashflows is highlighted in the table below:

<i>Particulars</i>	<i>INR Mn</i>
Embassy Manyata	3,852
Embassy TechZone	1,140



Value Assessment Service:

CBRE South Asia Private Limited

Represented by Mr. Vamshi KK Nakirekanti, MRICS
Executive Director & Head, Valuation & Advisory Services,
India and South East Asia



Valuer under SEBI REIT Regulations 2014:

iVAS Partners

Represented by Mr. Manish Gupta,
Partner,

Valuer Registration Number: IBBI/RV-E/02/2020/112

6 Exhibits and Addendums

6.1 Other Mandatory Disclosures

6.1.1 Details of Material Litigations

Based on information provided by the Client, please find below the details of material litigations:

MPPL

- The SPV has received a demand order dated 5 October 2015 to pay a sum of Rs. 2,739.49 million (including penalty and interest up to June 2016) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bruhat Bengaluru Mahanagar Palike Property Tax rules, 2009 ('Rules'). Whereas the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Acts and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has based on external legal opinion filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. Accordingly, this has been disclosed as a contingent liability. The SPV paid Rs.646.69 million (31 March 2020: Rs 646.69 million) under protest against the above demand.
- The SPV has also received demand notices dated 9 October 2017 to pay a sum of Rs. 760.07 million including penalty as of the date towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal had been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bengaluru ("Joint Commissioner") objecting the total survey report and property tax assessment notice arising therefrom. New demand notices dated 17 January 2019 were issued to pay sum of Rs. 860.39 million (including penalty) towards the differential property tax for the period 2008-09 to 2017-18 and interest up to the date of payment as per the demand notices. The SPV submitted a letter to the Joint Commissioner dated 29 March 2019 referring to the appeals preferred by the SPV and had paid a sum of Rs.286.80 million towards property tax demanded under protest. An order was passed by the Joint Commissioner dismissing the appeal preferred by the SPV. Against the order passed by the Joint Commissioner, MPPL has based on external legal opinion, filed a writ petition before the Hon'ble High Court of Karnataka on 3 August 2020 on various grounds, inter alia, that the rates BBMP has relied on to calculate property tax in the said demand notices dated 9 October

2017 has been already challenged in a writ appeal filed by the SPV and pending before Hon'ble High Court of Karnataka as mentioned in note iv(a) above. The said writ appeal has been admitted and the date of hearing is awaited. Accordingly, a net contingent liability of Rs.573.59 million (31 March 2020: Rs. 573.59 million) has been disclosed in these financial statements

- SPV has filed a writ petition in 2015 against the BBMP and others seeking to inter-alia, quash (i), a circular from 2014 re-fixing the improvement charges under the Karnataka Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expenses) Rules, 2009 and (ii) a notice from 2015 demanding payment of betterment charges of Rs. 127.9 million. In 2016, the Hon'ble High Court of Karnataka has granted an interim stay on the impugned circular and notice

Please note, for any further information on all other litigation relation disclosures in relation with Embassy Manyata, Embassy TechZone and Embassy REIT, please refer to the annual report by Embassy REIT for FY 2020. A copy of the same is available in the investor relations website of Embassy REIT. Kindly refer to the link below to access the same:

https://s2.q4cdn.com/482484005/files/doc_financials/2020/ar/updated/EOPR-New-Annual-Report-FY2020.pdf

6.1.2 Details of options or rights of pre-emption and other encumbrances, revenue pendencies and any matters which may affect the property or its value

Please refer to the details of material litigations highlighted in section above and Embassy REIT Annual Report FY 2020 (link: https://s2.q4cdn.com/482484005/files/doc_financials/2020/ar/updated/EOPR-New-Annual-Report-FY2020.pdf for more details in regards to Embassy Manyata, Embassy TechZone and Embassy REIT.

6.2 Site Plan

6.2.1 Embassy Manyata



Source: Client

6.3 Statutory Approvals, One time Sanctions & Periodic Clearances

Based on information provided by the Client, please find below the details of Statutory Approvals, One time Sanctions & Periodic Clearances.

Embassy Manyata

As per approval documents shared by the Client, it is understood that all requisite approvals and occupancy certificates for the operational blocks have been received. The Client also has the sanction plan for the entire development, hence for all the under-construction & proposed blocks, individual approvals will be obtained as and when the development is initiated.

The details of the Occupancy Certificate for the respective completed blocks are shared by the Client and the same has been reviewed by Consultants and considered for the purpose of the valuation exercise:

Block Name	Authority	Date of Issue (DD-MM-YY)
Jacaranda (C1)	Karnataka Industrial Areas Development Board (KIADB)	17-04-09
Cedar (C2)	Karnataka Industrial Areas Development Board (KIADB)	17-04-09
ELM (C4)	Karnataka Industrial Areas Development Board (KIADB)	17-04-09
Alder (D1)	Karnataka Industrial Areas Development Board (KIADB)	26-10-06
Maple (D2)	Karnataka Industrial Areas Development Board (KIADB)	26-10-06
Redwood (D3)	Karnataka Industrial Areas Development Board (KIADB)	13-07-07
Cypress (D4)	Karnataka Industrial Areas Development Board (KIADB)	03-08-07
Beech (E1&FC)	Karnataka Industrial Areas Development Board (KIADB)	12-02-08
Ebony (G2)	Karnataka Industrial Areas Development Board (KIADB)	02-05-12
Aspen (G4)	Karnataka Industrial Areas Development Board (KIADB)	10-09-12
Rosewood (K)	Karnataka Industrial Areas Development Board (KIADB)	26-10-06
Magnolia (B)	Karnataka Industrial Areas Development Board (KIADB)	13-07-06
Silver Fir (L6)	Karnataka Industrial Areas Development Board (KIADB)	23-12-11
Mahogany (F2)	Karnataka Industrial Areas Development Board (KIADB)	27-02-09
Silver Oak (E2)	Karnataka Industrial Areas Development Board (KIADB)	12-02-08
Pine (L5)	Karnataka Industrial Areas Development Board (KIADB)	24-04-09
Eucalyptus (H1)	Karnataka Industrial Areas Development Board (KIADB)	16-07-08
Mulberry (G1)	Karnataka Industrial Areas Development Board (KIADB)	30-04-10
Palm (F3)	Karnataka Industrial Areas Development Board (KIADB)	05-12-13
G1-G2 Bridge (G1G2)	Karnataka Industrial Areas Development Board (KIADB)	02-05-12
Mountain Ash (H2)	Karnataka Industrial Areas Development Board (KIADB)	05-12-13
Hazel (L3)	Karnataka Industrial Areas Development Board (KIADB)	09-06-15
MFAR (MFAR Green)	Karnataka Industrial Areas Development Board (KIADB)	12-06-15
Teak (G3)	Karnataka Industrial Areas Development Board (KIADB)	19-11-15
Philips (Philips)	Karnataka Industrial Areas Development Board (KIADB)	26-10-06
L1 –L2 (Banyan & Willow)	Karnataka Industrial Areas Development Board (KIADB)	10-08-17
NXT (Front Land parcel)	Karnataka Industrial Areas Development Board (KIADB)	03-01-2020

Source: Approval documents provided by the Client

Block Front Land Parcel (Retail, Hotel and Convention Centre)

Approval/NOC	Status (Applied/Received)	Authority	Date of Issue (DD-MM-YY)
Revised Development plan approval	Received	KIADB	29-08-19
Commencement Certificate	Received	KIADB	04-07-18
Fire NOC	Received	Office of the Director General of Police	06-12-17
Height Clearance	Received	AAI	24-10-16
Clearance for Water Supply	Received	BWSSB	03-05-17
Clearance from Electricity Authority	Received	BESCOM	07-02-19
Environment clearance	Received	MOEF	23-01-20
Clearance from Pollution Control Board	To be applied	KSPCB	NA
Final Fire NOC	To be applied	Office of the Director General of Police	NA
Occupancy Certificate	To be applied	KIADB	NA

Source: Approval documents provided by the Client

Block M3

Approval/NOC	Status (Applied/Received)	Authority	Date of Issue (DD-MM-YY)
Development Permission/ Development plan approval	Received*	BDA	22-02-2018
Commencement Certificate	To be applied	KIADB	NA
Fire NOC	Received*	Office of the Director General of Police	10-06-2016
Height Clearance	Received*	AAI	04-05-2016
Clearance for Water Supply	Received**	BWSSB	01-03-2016
Clearance from Electricity Authority	Received*	BESCOM	25-07-2018
Clearance from Pollution Control Board	To be applied	KSPCB	NA
Environment clearance	To be applied	MOEF	NA
Final Fire NOC	To be applied	Office of the Director General of Police	NA
Occupancy Certificate	To be applied	Bruhat Bengaluru Mahanagara Palike (BBMP)	NA

*Note: The following approvals have been received for the existing plan for Block M3 (i.e. 997,057 sft). The Client will have to re-apply and secure approvals with the additional proposed area.

** No amendment required in these NOCs due to change in area

Source: Approval documents provided by the Client

Embassy TechZone

As per the review of documents provided by the Client, we understand that all requisite approvals along with the occupancy / completion certificate for the operational blocks have been received. The Client also has the sanction plan for the entire development, hence for all the under-construction & proposed blocks, individual approvals will be obtained as and when the development is initiated.

The details of the Occupancy Certificates for the respective blocks shared by the Client are mentioned in the table below. The same has been considered for the purpose of the valuation exercise:

Block Name	Authority	Date of Issue (DD-MM-YY)	Remarks
Building No. 1	MIDC	3/3/2008	Stilt to 5th
Building No. 2	MIDC	3/3/2008	Stilt to 4th
Building No. 1 & 2	MIDC	23/05/2008	Complete Block
Building No. 3	MIDC	23/07/2015	5/6/8 & 9
Building No. 3 (A Wing)	MIDC	24/6/2011	4/5/6/7 (A Wing)
Building No. 3 (A Wing)	MIDC	7/1/2012	8 th & 10 th (A wing)
Building No. 3 (B Wing)	MIDC	21/7/2016	4/7/10 (B Wing)
Building No. 3 (A Wing)	MIDC	10/04/2019	9 th Floor
Building No. 3	MIDC	29/10/10	G/1/2/3
Building No. 5	MIDC	25/4/2011	G to 3
Building No. 5 (A Wing)	MIDC	15/6/2012	4 th & 5 th
Building No. 5 (A Wing)	MIDC	22/07/2016	2/3/6/7th Floor
Building No. 5 (B Wing)	MIDC	22/07/2016	4/5/6/7/ & 8th
Building No. 5 (A Wing)	MIDC	25/8/15	LG, G, 1 st & 8 th (A Wing)
Building No. 5	MIDC	28/06/2019	Terrace
Building No. 6	MIDC	7/1/2012	1 st to 9 th
Building No. 6	MIDC	29/03/2019	Ground
Building No. 11	MIDC	16/04/2009	3 rd and 4 th
Building No. 11	MIDC	7/1/2009	G, 1 st and 2 nd
Building No. 11	MIDC	4/3/2011	6 th Floor
Food Court	MIDC	28/06/2019	-

Source: Information provided by Client

MIDC ~ Maharashtra Industrial Development Corporation

**Strictly Confidential
For Addressee Only**

**Independent Property
Consultant Report on the
Valuation Methodology of
CAM Services Business
Valuation Report of
Embassy Manyata Business
Park (Bangalore) & Embassy
Tech Zone (Pune) REIT**

Report for

**Embassy Office Parks REIT/
EOPMSPL**

Report Date

20th October 2020



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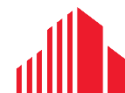
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From:
Cushman & Wakefield (India) Pvt Ltd
4th Floor, Pine Valley, Embassy Golf
Links Business Parks, Intermediate Ring
Road, Bangalore - 560071

To: Embassy Office Parks REIT/ EOPMSPL

Property: CAM Services Business of Embassy Manyata
Business Park, Bangalore & Embassy Tech
Zone, Pune

Report Date: 20th October 2020

A REPORT

1 Instructions - Appointment

Cushman & Wakefield India Pvt. Ltd. (C&WI) as an independent international property consultant has been instructed by Embassy Office Parks REIT/ EOPMSPL (the 'Client', the 'Instructing Party') in its capacity as manager of Embassy Office Parks REIT to perform an independent review (the "Engagement"), of the Stated Procedure (as defined below), used for the valuation of the CAM Services Business of Embassy Manyata Business Park, Bangalore and Embassy Tech Zone, Pune (the "CAM Services Business") owned by SPVs (as defined below), which in turn will be owned by Embassy REIT and provide an independent report ("Report"). The LOE along with the Addendum sets out the scope and other understanding between the parties ("Agreement").

The CAM Services Business 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 1,975 professionals across approximately 280 offices globally and India VAS team comprises of more than 50 professionals.

C&WI Valuation & Advisory Services India have completed over 8,500 valuation and advisory assignments across varied asset classes/ properties worth USD 377 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, Gurgaon, 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, Engineer's 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, within the last twelve months, of any of the CAM Services Business being considered for the Engagement. C&WI has no present or planned future interest in the Client, Trustee, Embassy Office Parks REIT, the Sponsors and Sponsor Group to Embassy Office Parks REIT or the Special Purpose Vehicles (SPVs) and the fee for this Report is not contingent upon the review contained herein. Our review should not be construed as investment advice; specifically, we do not express /any opinion on the suitability or otherwise of entering into 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 conducting a valuation of CAM Services Business in connection with the proposed purchase of the Business (CAM Services Business of Embassy Manyata Business Park, Bangalore and Embassy Tech Zone, Pune) by Embassy Office Parks REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 "SEBI (REIT) Regulations", as amended, together with clarifications, circulars, guidelines and notifications thereunder in any of the Indian stock exchanges. 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 proposed acquisition, this independent report may be included in any offering documents, communications to unitholders, press releases, presentations, publicity material or other documents and including any regulatory filings in connection with the proposed acquisition.

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 CAM Services Business of the property. 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 on 31 July 2019, effective from 31 January 2020.

C&WI review is limited, by reference to the date of this report and to the facts and circumstances relevant to the CAM Services Business 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 been provided with the information such as rent rolls, CAM Margins, Architect Certificate and other information such as Valuation Methodology and key assumptions including CAM Margin, CAM Margin growth rate, Committed Occupancy, Capitalisation Rates, Discount Rates etc. by the Client. An extract of the Methodology and Key assumptions is provided in Annexure 2

7 Authority (in accordance with this Agreement)

Services has been provided solely for the benefit and use of the Client by C&WI. The report(s) may not be used for any other purpose other than the expressly intended purpose as mentioned in this Agreement. They are not to be used, circulated, quoted or otherwise referred to for any other purpose, nor are they to be filed with or referred to in whole or in part in any document without the prior written consent of C&WI where such consent shall be given at the absolute, exclusive discretion of C&WI. Where they are to be used with C&WI's written consent, they shall be used only in their entirety and no part shall be used without making reference to the whole report unless otherwise expressly agreed in writing by C&WI. Notwithstanding the above, C&WI consent to the usage of the report or a summary thereof for any filings and communications with Embassy Office Parks REIT, the sellers, its unitholders, the trustee, their respective advisers and representatives, and in any placement documents as part of the purpose mentioned in this Agreement. C&WI further consent to copies or extracts of the report being used in any offering documents, communication to unitholders, publicity material, research reports, presentations, press releases in relation to the annual /semi-annual reports, financials and including any regulatory filings in connection with the proposed acquisition. Any reliance by any party other than the Client on the independent property consultant report will be on their own accord.

8 Limitation of Liability (in accordance with this Agreement)

- C&WI has provided the Services exercising due care and skill, but C&WI does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the opinion of value of the property. Further, C&WI shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to C&WI by the Client.
- C&WI's maximum aggregate liability for claims arising out of or in connection with the CAM Services Valuation report, under this contract shall be limited to an aggregate sum not exceeding 5 times the total fees paid to C&WI by the Client.
- In the event that any of the Sponsor, Manager, Trustee, Embassy Office Parks REIT in connection with the report be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the CAM Services Valuation Report, the Claim Parties will be entitled to require the C&WI to be a necessary party/ respondent to such claim and C&WI shall not object to their inclusion as a necessary party/ respondent. 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. If C&WI does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against C&WI in this regard and C&WI's liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.



9 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. Novel Coronavirus disease (Covid-19) has been declared as a pandemic by the World Health Organization (WHO) in March 2020. Owing to this, India has faced lockdown of various degrees in the past few months. Due to the pandemic, the real estate sector has also faced challenges and hence have been impacted. With the construction activity being temporarily suspended and the limited availability of construction works, raw materials etc. We understand that there would be a delay in the delivery timeline of planned future supply.

For commercial sector there has been mandatory office closures in the month of April and May. People and organizations have been forced to test the remote working landscape. Post lock down there will be focus on recovery readiness and making workspace new normal-ready. We believe that whilst there will be re-assessment of portfolios to de-densify the workspace to focus on hygiene and safety norms, there will be a delay in decision making for expansion.

Consolidation strategies may be put on hold to reevaluate the recent landscape and renewals are expected to continue as capital expenditure decisions are put on hold. However, relocation decisions maybe reviewed in the context of cost control driving demand to peripheral office locations.

Though the magnitude of the pandemic on commercial real estate is difficult to predict, we anticipate that the delay in decision making for expansion along with delay in construction activities would have a short-term impact on the demand, delay in supply and consequent impact on the rental growth rate in the markets. The stimulus packages by Government of India and gradual reopening of offices and manufacturing plants are likely to support economic activity. We observe that the assumptions noted in Annexure 2, reflect these factors.

10 Disclosure and Publications

You must not disclose the contents of this report to a third party in any way, except as stated in paragraph 4 herein or as may be required under applicable law, including the Securities Exchange Board of India (Real Estate Investment Trusts) 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 CAM Services Business in connection with the proposed acquisition for the Embassy Office Parks REIT, in accordance with IVS 104 of the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020.

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:

- CAM Margin
- CAM Margin Growth rate
- Capitalisation rate
- Discount rate

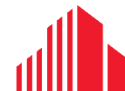
C&WI has:

- 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. We are given to understand that apart from the comprehensive scope of CAM services agreed with tenants, certain additional value add services are also provided to tenants at their request.

Below is the summary of the portfolio of the CAM Services Business as of September 30, 2020 which is located in Bangalore and Pune that has been reviewed:

Sr No	Location	Project	Area	
			Completed (In msf)	Under Construction / Future Development (In msf)
1	Bangalore	Embassy Manyata Business Park	11.8	3.0
2	Pune	Embassy Tech Zone	2.2	3.3



Below is the CAM Services Business wise analysis:

- **Embassy Manyata Business Park, Bangalore:** The CAM Margin projections provided in the Stated Procedure is reasonable. Further, C&WI considers the growth rate, discount rate and cap rate which is assumed, in line with the market.
- **Embassy Tech Zone, Pune:** The CAM Margin projections provided in the Stated Procedure is reasonable. Further, C&WI considers the growth rate, discount rate and cap rate which is assumed, in line with the market.

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

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

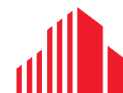
Somy Thomas, MRICS
Managing Director,
Valuation and Advisory Services

Shailaja Balachandran
Director,
Valuation and Advisory Services

Vishal Deore,
Assistant Manager,
Valuation and Advisory Services



Trisha Kundu,
Assistant Manager,
Valuation and Advisory Services



Annexure 1: Instructions (Caveats & Limitations)

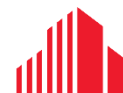
1. The Independent Property Consultant Report is not based on comprehensive market research of the overall market for all possible situations. Cushman & Wakefield India (hereafter referred to as "C&WI") has covered specific markets and situations, which are highlighted in the Report.

The scope comprises of reviewing the assumptions and methodology in the Stated Procedure, for valuation of the CAM Services Business. 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 CAM Services Business under consideration and the demand-supply for the commercial sector in general. The opinions expressed in the Report are subject to the limitations expressed below.
 - a. C&WI has endeavoured to develop forecasts on demand, supply and pricing on assumptions that are considered relevant and reasonable at that of preparing this report. All of these forecasts are in the nature of likely or possible events/occurrences and the Report does not constitute a recommendation to Embassy Office Parks REIT or (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 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 report 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 stated procedures 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 reflects 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/ CAM Services Business has been made and owners' claims to the assets/ CAM Services Business 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 CAM Services Business of Properties

Valuation Approach and Methodology

- **PURPOSE OF VALUATION**

The Report has been prepared to be relied upon by Embassy Office Parks REIT and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation to acquisition of the CAM Services Business (CAM Services Business of Embassy Manyata Business Park, Bangalore and Embassy Tech Zone, Pune) by the Embassy REIT and any fund-raising for this purpose, including , any information memorandum, preliminary placement document and placement document intended to be filed with the Securities and Exchange Board of India (“SEBI”), the stock exchanges or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to such fund-raising, including any preliminary or final international offering documents for distribution to investors inside or outside India, and any publicity material, stock exchange filings, research reports, presentations or press releases and any transaction document or communication to the unitholders or sellers (collectively, the “Placement Documents”)

- **BASIS OF VALUATION**

It is understood that the valuation is required by the Client for proposed purchase of the CAM Services Business of Embassy Manyata Business Park, Bangalore and Embassy Tech Zone, Pune by Embassy Office Parks REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, circulars, guidelines and notifications there under. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the CAM Services Business of Embassy Manyata Business Park, Bangalore and Embassy Tech Zone, Pune in accordance with IVS 104 of the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020 and allowed to be adopted prior to the effective date.

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

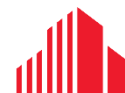
- **VALUATION APPROACH**

For the purpose of the valuation of CAM Services Business, Income Approach - Discounted Cash Flow Method has been adopted, which is explained below.

In this valuation method, current CAM margin is considered, and the future CAM Services Business Cash Flow is forecasted assuming a certain growth rate. These future CAM Services Business Cash Flows are then discounted to a present-day value (valuation date) at an appropriate discount rate.

- **VALUATION METHODOLOGY**

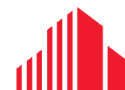
The CAM services have been valued based on current terms of providing Common Area Maintenance Services and the current revenue profile projected to capture the addition of new areas getting constructed and improvement of overall occupancies of the properties of



CAM Business keeping normalised CAM EBITDA margins through the projected years and estimating the terminal value using an appropriate cap rate, thereafter discounting the CAM Services Business Cash Flows using appropriate discount rate.

CAM Services Business Cash Flow Projections:

1. The CAM Margin for the operational and under-construction/proposed area has been projected to arrive at their respective value estimates
2. Going forward escalation of 5% year on year on CAM Margin has been assumed and net income was arrived after making adjustment for operating expenses and management fees.
3. The net income on yearly basis have been projected over next 10 years and the one-year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value. The yearly CAM Services Business Cash Flow 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 CAM Services Business Cash Flow.
4. The capitalised value of future earnings at notional exit in the terminal year ascribed earlier has been adjusted for the sake of consistency for the purpose of arriving at the net present value of Embassy Manyata and Embassy Techzone CAM business.



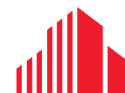
Key Assumptions

1. Embassy Manyata Business Park, Bangalore

Particulars	Units of measure	Details
Property details		
Type of property		
Operational area	Million sq. ft.	11.8
Area leased	Million sq. ft.	11.4
Committed Occupancy	%	97.0%
Under Construction Area	Million sq. ft.	1.6
Proposed Area	Million sq. ft.	1.4
Key Assumptions		
FY 19-20 CAM Margin	INR/ annum (Million)	410
Management Fees	INR/ sq. ft./month	0.5
CAM Margin Growth Rate	%	5
Capitalization Rate	%	8.0%
Discount Rate	%	11.75%

2. Embassy Tech Zone, Pune

Particulars	Units of measure	Details
Property details		
Type of property		
Operational area	Million sq. ft.	2.2
Area leased	Million sq. ft.	2.0
Committed Occupancy	%	90.6%
Under Construction Area	Million sq. ft.	0.9
Proposed Area	Million sq. ft.	2.4
Key Assumptions		
FY 19-20 CAM Margin	INR/ annum (Million)	72
Management Fees	INR/ sq. ft./month	0.5
CAM Margin Growth Rate	%	5
Capitalization Rate	%	8.0%
Discount Rate	%	11.75%



CAM Services Business Margin Projection

1. Embassy Manyata Business Park, Bangalore

Embassy Manyata	30-09-2020	30-09-2021	30-09-2022	30-09-2023	30-09-2024	30-09-2025	30-09-2026	30-09-2027	30-09-2028	30-09-2029	30-09-2030
Net Margin (INR Million)		355	377	419	489	543	586	620	655	692	731

2. Embassy Tech Zone, Pune

Embassy Tech Zone	30-09-2020	30-09-2021	30-09-2022	30-09-2023	30-09-2024	30-09-2025	30-09-2026	30-09-2027	30-09-2028	30-09-2029	30-09-2030
Net Margin (INR Million)		64	68	86	115	148	195	227	240	253	268

CAM Valuation Report:

**Embassy Manyata Business Park (Bengaluru) & Embassy Tech Zone
(Pune)**

Date of Valuation: 30 September 2020

Date of Report: 18 October 2020

Submitted to:

Embassy Office Parks Management Services Private Limited



Disclaimer





This report is prepared exclusively for the benefit and use of Embassy Office Parks Management Services Private Limited (“EOPMSPL” or the “Recipient” or the “Company” or “the Manager”) on behalf of the Embassy Office Parks REIT (“Embassy REIT”) and / or its associates and its unit holders for the proposed purchase of certain property/business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) by it. The Company is the manager to Embassy REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended (“SEBI REIT Regulations”). The Manager may share the report with its appointed advisors for any statutory or reporting requirements or include it in any stock exchange filings, preliminary/placement document/ information memorandum/ transaction document to the unit holders, or any other document in connection with the proposed purchase of the property by Embassy 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 21st September, 2020 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 Company 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 21st September, 2020 (including as set out above). 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

CAM Business of Embassy Manyata Business Park, Bengaluru and Embassy Tech Zone, Pune		
Valuation Date:	30 th September, 2020	
Valuation Purpose:	Proposed purchase of a /Common Area Maintenance (CAM) services by Embassy Office Parks REIT	
Location / Situation:	<p>Embassy Manyata Business Park, Bengaluru</p> <p>The underlying property ‘Embassy Manyata Business Park’ of the CAM Business (hereinafter referred to as the CAM Business 1) is the second largest commercial tech park in India and is the largest in Bengaluru. The CAM Business 1 is located in North Bengaluru and is accessible through the Nagavara Outer Ring Road. Further, the CAM Business 1 is strategically located in proximity to developing micro-markets of Thanisandra & Hennur Road in North Bengaluru.</p>	 <p>View of Subject Property (Embassy Manyata Business Park)</p>
	<p>Embassy Tech Zone, Pune</p> <p>The underlying property ‘Embassy Tech Zone’ of the CAM Business (hereinafter referred to as the CAM Business 2) is located in Hinjewadi which is a prominent technology hub of Pune city. The tech park is spread across a total land area of approximately 67.5 acres. It houses many tenants and provides amenities like food court, amphitheatre, intra park shuttles, gymnasium, multilevel car parking, sports ground, etc.</p>	 <p>View of Subject Property (Embassy Manyata Business Park)</p>
Description:	<p>Embassy Manyata Business Park, Bengaluru</p> <p>The CAM Business 1 is an operational commercial asset with approximately 11.8 Million sq. ft. of completed leasable area. The occupancy in the tech park is approximately 97.0% as on 30th September 2020.</p> <p>Completed Area- The completed buildings and parts thereof with Occupancy Certificate (OC) collectively admeasure ~11.8 Million sq. ft. of leasable area. Out of which 17 blocks are SEZ buildings and 10 blocks are Non-SEZ buildings.</p> <p>Under-construction Area- The under-construction buildings collectively admeasure ~1.6 Million sq. ft. of leasable area. Out of which the SEZ block M3-A is expected to be completed by Q3 FY 2023 while the SEZ block M3-B is expected to be completed by Q3 FY 2024.</p> <p>Proposed Development Area- The proposed buildings collectively admeasure ~1.4 Million sq. ft. of leasable area. Out of which F-1 block is SEZ building and is expected to be completed by Q3 FY 2025 while L-4 block is Non-SEZ building is expected to be completed by Q1 FY 2024.</p>	 <p>View of Subject Property (Embassy Tech Zone)</p>  <p>View of Subject Property (Embassy Tech Zone)</p>



	<p>Embassy Tech Zone, Pune</p> <p>The CAM Business 2 is an operational SEZ commercial asset with approximately 2.2 Million sq. ft. of completed leasable area. The occupancy in the tech park is approximately 90.6% as on 30th September 2020.</p> <p>Completed Area – The completed SEZ buildings and parts thereof with Occupancy Certificate (OC) collectively admeasure ~2.2 Million sq. ft. of leasable area.</p> <p>Under-Construction Area– The under-construction buildings collectively admeasure ~0.9 Million sq. ft. of leasable area. Hudson and Ganges blocks are expected to be completed by FY 2023.</p> <p>Proposed Development Area- The proposed SEZ buildings collectively admeasure ~2.4 Million sq. ft. of leasable area.</p>	
Total Area:	<p>Embassy Manyata Business Park, Bengaluru</p> <p>Total Land Area: 121.8 Acres</p> <p>Completed Leasable Area – 11.8 Million sq. ft.</p> <p>Under Construction Area – 1.6 Million sq. ft.</p> <p>Proposed Development Area– 1.4 Million sq. ft.</p> <p>Embassy Tech Zone, Pune</p> <p>Total Land Area: 67.5 Acres</p> <p>Completed Leasable Area – 2.2 Million sq. ft.</p> <p>Under Construction Area – 0.9 Million sq. ft.</p> <p>Proposed Development Area– 2.4 Million sq. ft.</p>	

MARKET VALUE OF THE CAM BUSINESS OF THE SUBJECT PROPERTIES BASED ON

Components	Value in (₹Mn)
Embassy Manyata CAM Business	4,086
Embassy Tech Zone CAM Business	1,280
Total	5,366

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



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From: Shubhendu Saha, MRICS
IBBI Registered Valuer (L&B)
(IBBI/RV/05/2019/11552)

To: Embassy Office Parks Management Services Private Limited

Subject Business: CAM Business of Embassy Manyata Business Park, Bengaluru and Embassy Tech Zone, Pune

Report Date: 18th October 2020

Valuation Date: 30th September 2020

A REPORT

1 Instructions

Embassy Office Parks Management Services Private Limited (hereinafter referred to as “the Instructing Party” or “the Client”), in its capacity as the Manager of the **Embassy REIT**, has appointed Mr. Shubhendu Saha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of Common Area Maintenance Services (CAM) Business of Embassy Manyata Business Park, Bengaluru and Embassy Tech Zone, Pune (herein referred as “Subject Properties/Business” across the report) for the proposed purchase of the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, circulars, guidelines and notifications thereunder, by the Embassy REIT . This report pertains to only CAM Business and does not include valuation of Embassy Manyata or Techzone assets. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 4 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

2 Professional Competency of The Valuer

Mr. Shubhendu Saha the Valuer for the Subject Properties/ Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) is 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 since 15 May 2019. He completed his Bachelor’s in Planning from the School of Planning and Architecture, New Delhi in 1997 and Master’s in Management Studies from Motilal Nehru National Institute of Technology, Allahabad in 1999.



Mr. Saha has more than 20 years of experience in the domain of urban infrastructure and real estate advisory. He was the national practice head of Valuation Advisory services of DTZ International Property Advisers Private limited (now known as Cushman and Wakefield Property Advisers Private Limited), a leading International Property Consulting firm in India, from 2009 to 2015. He also led the business solutions and consulting services for the property management business of Cushman and Wakefield India Private Limited from 2015 to 2017. In early part of his career he worked with renowned organisations like ICRA Limited, Copal Research (now known as Moody's Analytics) and National Council of Applied Economic Research. His last employment was with PwC as Director Real Estate Advisory before he started his practice as an independent valuer.

As the leader of valuation services business at DTZ, Mr. Saha authored India specific guidelines of the RICS Valuation Standards ('Red Book') for financial accounting, taxation and development land, which became part of the 7th edition of Red Book. He undertook valuation of India's first listed portfolio of healthcare assets at Singapore Stock Exchange as a Business Trust and led numerous valuation exercises for multiple private equity/real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. His clientele included Air India, HDFC, Religare Health Trust, Duet Hotels, DLF, RMZ, Embassy Group, Citibank, Tishman Speyer, IL&FS, HSBC, IDFC, Ascendas India etc. Most recently he was appointed as Valuer of the portfolio of Mindspace REIT which is listed under SEBI (REIT) Regulations, 2014.

3 Independence and Conflicts of Interest

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) 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 Properties in past five years from the date of this report. The Valuer is eligible to undertake this valuation assignment under the REIT Regulations, including Regulations 12 and 21.

4 Purpose of Valuation

The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation to purchase of the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) by the REIT and any fund-raising for this purpose, including , any information memorandum, preliminary placement document and placement document intended to be filed with the Securities and Exchange Board of India ("SEBI"), the stock exchanges or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to such fund-raising, including any preliminary or final international offering documents for distribution to investors inside or outside India, and any publicity material, stock



exchange filings, research reports, presentations or press releases and any transaction document or communication to the unitholders or sellers (collectively, the “Placement Documents”)

5 Basis of Valuation

It is understood that the valuation is required by the Client for proposed purchase of the Subject Properties/ Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) by Embassy REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, circulars, guidelines and notifications thereunder. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Properties/ Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) in accordance with IVS 104 of the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020 and allowed to be adopted prior to the effective date.

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

For the purpose of the valuation of CAM Services Business, **Income Approach - Discounted Cash Flow Method** has been adopted, which is explained below.

In this valuation method, current CAM margin is considered, and the future CAM Services Business Cash flow is forecasted assuming a certain growth rate. These future CAM Services Business Cash Flows are then discounted to a present-day value (valuation date) at an appropriate discount rate.

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 4 of this report. The development mix, built up area, land area and lease details such as CAM Charges, lease commencement and lease end date linked to CAM charges, lock – in period, escalation terms, etc. pertaining to the Subject Properties is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation. All measurements, areas quoted/ mentioned in the report are approximate figures.

8 Inspection

The inspection of the underlying properties of the Subject Business was carried out through an independent third party authorized by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise and the Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct.



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 Properties/ business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) 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 the proposed purchase of the Subject Properties/ Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) by Embassy REIT.

11 Authority

The valuation services are being provided solely for the benefit and use of the Reliant Party(ies) by the Valuer. The report(s) may not be used for any other purpose other than the expressly intended purpose as mentioned in the LOE and the report(s). They are not to be used, circulated, quoted or otherwise referred to for any other purpose, nor are they to be filed with or referred to in whole or in part in any document without the prior written consent of the Valuer where such consent shall be given at the absolute, exclusive discretion of the Valuer. Where they are to be used with the Valuer's written consent, they shall be used only in their entirety and no part shall be used without making reference to the whole report unless otherwise expressly agreed in writing by the Valuer. Notwithstanding the above, we consent to the usage of the report or a summary thereof for any filings and communications with the Manager to the Embassy REIT, the sellers, its unitholders, the trustee, their respective advisers and representatives, and in any placement documents as part of the purpose mentioned in the LOE. We further consent to copies or extracts of the report being used in publicity material, research reports, presentations and press releases in relation to the annual /semi-annual reports, financials and any other reporting requirements/disclosures required to be made. Any reliance by any party other than the Reliant Party on the valuation report will be on their own accord.

12 Reliant Parties

Embassy Office Parks Management Services Private Limited as the manager of the Embassy Office Parks REIT ("Embassy REIT") and its unit holders and Axis Trustee Services Limited for the purpose (of the



valuation exercise) as highlighted in the LOE including for inclusion in any information memorandum, preliminary placement document, placement document, transaction document/communication to unit holders in connection with the propose transaction. The auditors, chartered accountants, lawyers, merchant bankers and other advisers of the Embassy REIT can also place reliance on this valuation exercise and any report prepared in connection herewith, however no liability is extended to such parties.

The valuation exercise will be undertaken strictly and only for the use of the Reliant Party and for the Purpose specifically stated. This valuation report prepared herewith can also be shared with the sellers of the Property in connection with the proposed transaction, however no liability shall be extended to them. The instructing party would make all reliant parties aware of the terms and conditions of this agreement under which this exercise is being undertaken.

13 Limitation of Liability

- The Valuer has provided the services exercising due care and skill but does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the property. Further, the Valuer shall not accept liability for any errors, misstatements, omissions in the report caused due to false, misleading or incomplete information or documentation provided to him by the Instructing Party.
- The Valuer's maximum aggregate liability for claims arising out of or in connection with the Valuation Report, under this contract shall not exceed INR 30 Million (Rupees 30 Million Only) as agreed upon in the LoE dated 21st September 2020.
- In the event that any of the Sponsors, Manager, Trustee, Embassy REIT in connection with the proposed purchase of the Subject Properties/ business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Valuation, the Claim Parties will be entitled to require the Valuer, to be a necessary party/ respondent to such claim and the Valuer 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 the Valuer 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 defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard and the Valuer's liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Valuer 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.



14 Disclosure and Publication

The Valuer 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 Trusts) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars.

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 the Valuer is insisted upon or asserted by Client to violate any of the above said undertakings including Anti-Corruption regulations in any form or manner, on pretext of business relationship or otherwise, the Valuer shall have a discretionary right to terminate 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 BENGALURU CITY REPORT



1 Bengaluru Office Market Overview

The overall commercial office market in India and Bengaluru and its key micro markets:

Particulars	India*	Bengaluru	Outer Ring Road	CBD/ Off-CBD	Peripheral East	Peripheral South
Total completed stock Q3 2020 (Million sq. ft.)	583.5	152.2	70.4	6.6	29.5	10.4
Current occupied stock Q3 2020 (Million sq. ft.)	493.1	140.0	69.3	6.2	24.2	9.4
Current Vacancy Q3 2020 (%)	15.5%	8.0%	1.5%	6.2%	17.8%	9.1%
Future Supply – Q4 2020 – 2022 (Million sq. ft.)	95.5	22.8	8.8	0.7	5.0	1.0
Market Rent – Q3 2020 (INR/ sq. ft./ month)	77.0	82.6	107.0	161.0	68.0	65.0

Source: Cushman & Wakefield Research

*Please Note: India data comprises of the major cities in India i.e. Ahmedabad, Bengaluru, Chennai, Delhi, Noida, Gurugram, Hyderabad, Kolkata, Mumbai and Pune.

Out of the total commercial stock of 583.5 Million sq. ft. in India, nearly 26% of the stock is in Bengaluru. This shows the attractiveness of Bengaluru among the major Indian cities. The total occupied stock in Bengaluru is



approximately 28.4% of the occupied stock in India. Also, Bengaluru accounts for approximately 23.9% of the upcoming future supply in India.

Bengaluru is the capital of the State of Karnataka and is located in the south east of the state. Greater Bengaluru is spread over a total area of over 786 sq. km. (conurbation area)¹ with a population of around 9.5 Million.

The city, known as Silicon Valley of India, has emerged as a favourite IT/ITES destination over the last 10 - 12 years. Home to companies like Microsoft, Yahoo, Wipro, Infosys, IBM, GE, Google, Accenture, TCS etc, the city has been the front runner in attracting technology companies.

Apart from successfully attracting IT/ITES companies, Bengaluru is considered to be a Biotech destination as well. Bengaluru houses some of the most prominent biotechnology research institutions of India like Indian Institute of Science and National Centre for Biological Resources. The other industries in Bengaluru are related to manufacturing of Aircraft, Earthmoving Equipment, Watches, Garments, Silk, Machine Tools amongst others.

The city has the presence of prominent educational institutions like Indian Institute of Management, Indian Institute of Science, National Law School and a number of engineering/medical colleges offering talent pool to the existing corporations.

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

- **Information Technology (IT) capital:** Bengaluru is referred as India's information technology capital. It is home to many IT global firms such as Microsoft, Yahoo, Wipro, Infosys, IBM, GE, Google, Accenture, TCS etc.
- **Biotechnology Centres:** Bengaluru is a hub for biotechnology centres and houses some of the most prominent biotechnology research institutions of India like Indian Institute of Science and National Centre for Biological Resources.
- **Social Infrastructure:** Bengaluru has established educational institutions and colleges, Malls, Hospitals and hotels.
- **Transport infrastructure:** Bengaluru being the IT/ITeS hub of India has good connectivity to other cities of the country through all the three modes (rail, road and air) of inland transportation. It has good road connectivity with availability of infrastructure like National Highway 4, National Highway 7, National Highway 48, State Highway 17 etc. It also provides good railway connectivity with four major railway stations and an operational metro line. Bengaluru is also well connected via air with other cities in India and other global cities with the help of 2 operational passenger terminals (Domestic and International) at Nadaprabhu Kempegowda International Airport.

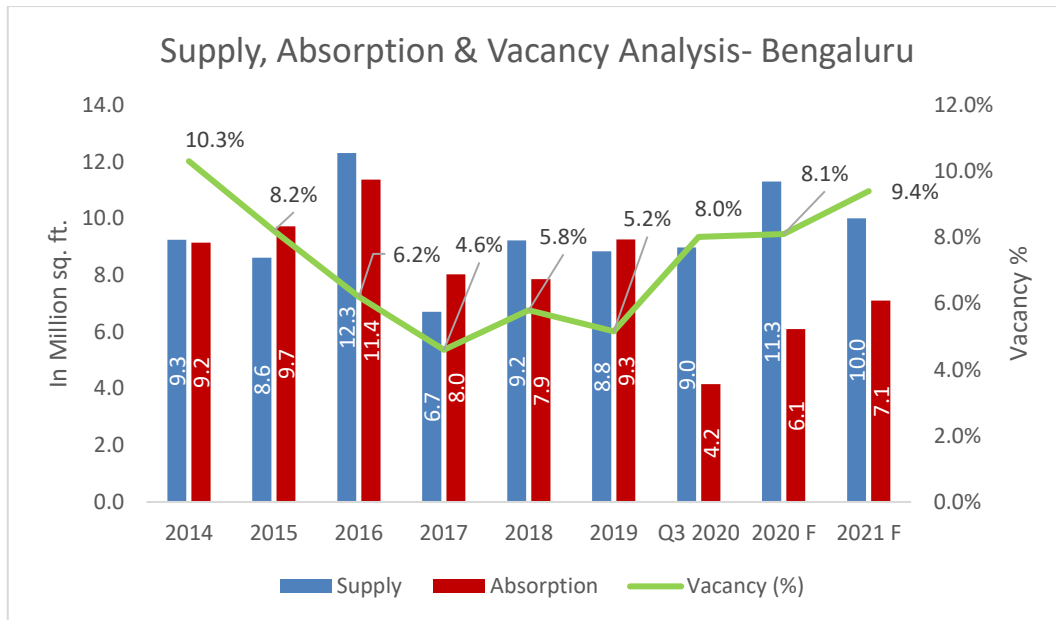
¹ www.bdaBengaluru.org



- **Ongoing/Planned infrastructure projects:** Key initiatives include multiple metro lines, various road projects (proposed 110 km Peripheral Ring Road, widening of National Highway 7, Signal free Outer Ring Road).

1.1 Bengaluru- Supply, Absorption & Vacancy

A snapshot of the supply, absorption and vacancy trend for Bengaluru is as below –



Source: Secondary Market Research

Note:1. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.

2. Absorption refers to the Net absorption. The Net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.



C PUNE CITY REPORT



1 Pune Office Market Overview

The overall commercial office market in India and Pune and its key micro markets:

Particulars	India*	Pune	PBD West	CBD	PBD East	SBD East	SBD West
Total completed stock Q3 2020 (Million sq. ft.)	583.5	54.6	12.6	4.3	1.9	30.0	5.9
Current occupied stock Q3 2020 (Million sq. ft.)	493.1	51.7	11.0	4.2	1.9	28.9	5.6
Current Vacancy Q3 2020 (%)	15.5%	5.3%	12.0%	1.8%	0.8%	3.6%	3.7%
Future Supply – Q4 2020 – 2022 (Million sq. ft.)	95.5	13.0	3.4	1.2	0.0	6.0	2.5
Market Rent – Q3 2020 (INR/ sq. ft./ month)	77.0	87.5	53.6	100.1	64.6	100.5	91.6

Source: Cushman & Wakefield Research

*Please Note: India data comprises of the major cities in India i.e. Ahmedabad, Bengaluru, Chennai, Delhi, Noida, Gurugram, Hyderabad, Kolkata, Mumbai and Pune.

Note: CBD stands for Central Business District, SBD stands for Secondary Business District and PBD stands for Peripheral Business District.

Out of the total commercial stock of 583.5 Million sq. ft. in India, nearly 9.4% of the stock is in Pune. The total occupied stock in Pune is approximately 10.5% of the occupied stock in India. Also, Pune accounts for approximately 13.6% of the upcoming future supply in India.

Pune is the second most populous city in Maharashtra and is located at a distance of ~150 kms from Mumbai. Pune houses multiple important educational institutions which attract talent from across the country and provides a young cosmopolitan workforce. Presence of strong infrastructure and availability of skilled



manpower has made Pune an attractive destination for major domestic and multinational companies. Pune is a hub for the technology sector housing companies such as Wipro, Infosys, Cognizant and Tata Consulting Services. The city is also an established industrial, defense and automobile hub housing companies like Mahindra and Mahindra, TATA Motors, Bajaj, JCB, Hyundai, Volkswagen, Mercedes Benz, Fiat, Forbes Marshall and GE India.

Note: Commercial office demand can be broadly divided into IT/ITES (Information Technology / Information Technology Enabled Services) & Commercial offices (Non-IT). IT/ITES would broadly qualify as those tenants whose nature of activity is Technology or Technology related. This would majorly comprise of technology companies, operations for Banking, Financial Services & Insurance (BFSI) companies etc. whereas those tenants whose activities do not qualify as technology would fall in the category of corporate office / commercial office.

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

- **Good Quality Offices:** Pune houses many Grade-A office spaces and SEZs (15 operational SEZs¹ which account for 22.1 msf of office stock) which provide large floor plates, international grade structures and amenities attracting major technology companies such as IBM and Cognizant as well as financial companies such as Credit Suisse, Barclays and Citi Corp Service India Limited.
- **Educated and skilled workforce:** High literacy rate of 89.56% (Per Census of India, 2011) and various renowned institutes (800+ colleges²) such as College of Engineering Pune, Pune University and National Institute of Construction Management and Research provide companies with the requisite talent pool. (12,000+ engineering graduates every year³)
- **Well-developed social infrastructure:** There are many high streets (FC Road, JM Road and North Main Road), operational malls (Phoenix Marketcity, Amanora Town Center, Seasons Malls etc.), hotels (JW Marriott, Hyatt Regency, Lemon Tree Premier etc.) and hospitals (Jehangir Hospital, Aditya Birla Memorial Hospital, Deenanath Mangeshkar Hospital etc.) in the city which provide a good network of social infrastructure.
- **Existing and Upcoming infrastructure:** Pune is well-connected by rail, roads (Mumbai – Pune Expressway and Mumbai-Bengaluru Highway) and air (Pune International Airport) to major Indian cities. There are several upcoming infrastructure initiatives such as high-capacity mass transit route and the new international airport (under planning stage) which are expected to further enhance the connectivity.

These new infrastructure initiatives will provide the commuter with ease of travelling to various commercial nodes and reduce the traffic congestion on the roads as well.

¹Source: <http://sezindia.nic.in/>; List of Operational SEZ as on 29.02.2020

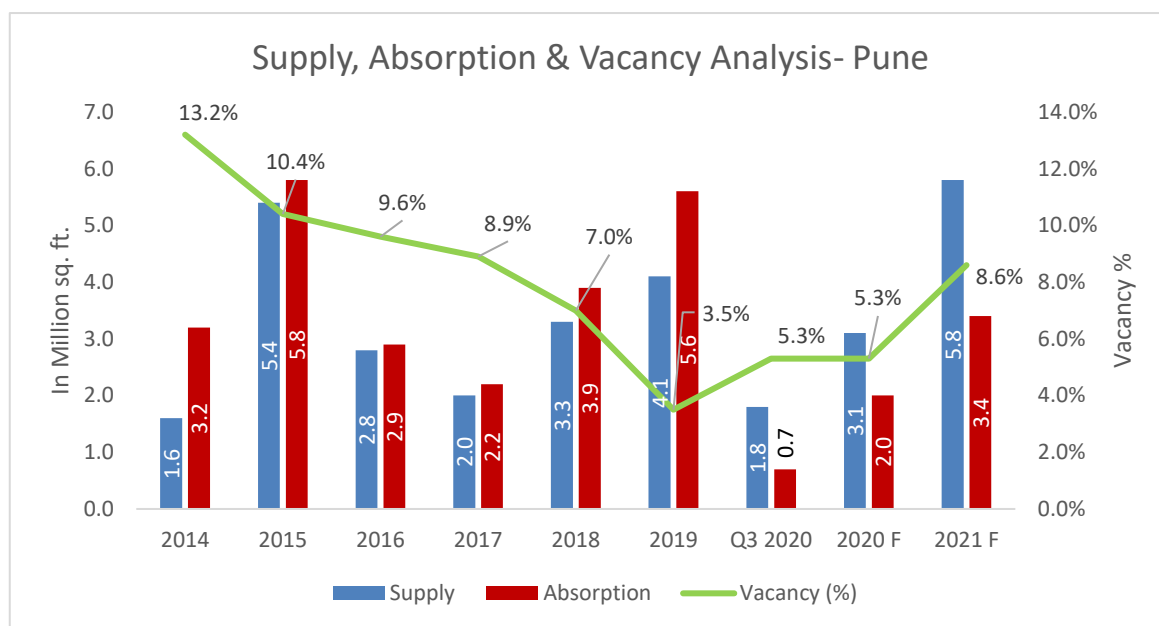
²Source: <https://punsmartcity.in/explore-pune>

³Source: Zinnov Management Consulting study of 2011/12



1.1 Pune- Supply, Absorption & Vacancy

A snapshot of the supply, absorption and vacancy trend for Pune is as below –



Source: Secondary Market Research

Note:1. Future supply estimates are based on analysis of under construction buildings, however future absorption estimates are derived basis past trend, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trend.

2. Absorption refers to the Net absorption. The Net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant occupies the building.



D SUBJECT BUSINESS REPORT



1. Address, ownership and title details

Embassy Manyata Business Park

Address:	Nagavara Village, Kasaba Hobli, Bengaluru North Taluk, Bengaluru District and Rachenahalli and Thanisandra Villages, Krishnarajapuram Hobli, Bengaluru East Taluk, Bengaluru District, Karnataka
Ownership & title details:	Freehold

Source: Client information

Embassy Tech Zone

Address:	Plot No. 3/A and Plot No. 3/B, Rajiv Gandhi Infotech Park, Hinjewadi, Phase-II, Village Marunji Taluka Mulshi, District Pune, Maharashtra
Ownership & title details:	Leasehold from MIDC, remaining lease term of 80 years

Source: Client information

Note: The property information above has no bearing on the valuation exercise.

1.1 Encumbrances and Revenue Pendencies

As per client information, there are encumbrances, however no options or pre-emption rights based on the Title reports prepared by the appointed legal counsels for the underlying properties of the CAM Business.

1.2 Material Litigation

- The SPV has received a demand order dated 5 October 2015 to pay a sum of INR 2,739.49 Million (including penalty and interest upto June 2016) towards the difference in property tax payable by the SPV, which difference arose on account of classification of the property under different schedules for the purpose of computing property taxes, for the period 2008-09 to 2015-16. The SPV is contesting that the concerned property being an industrial estate that has been developed as special economic zone must be classified as category XIV as per the notification issued under Karnataka Municipal Corporation Act, 1976 ('the Act') and Bharat Bengaluru Mahanagar Palike Property Tax Rules, 2009 ('Rules'). Whereas, the Assistant Revenue Officer has been considering the concerned property under category VIII as per the notification issued under the Act and Rules. The SPV filed a writ petition against the demand order which has been dismissed by the Hon'ble High Court of Karnataka. The said court upheld the demand made by BBMP. Against the order passed by single judge for the dismissal of writ petition, MPPL has based on external legal opinion filed an appeal before the aforementioned court and the same has been admitted by the court on 27 June 2016. The Hon'ble High Court restrained BBMP from taking any coercive action against the SPV and also directed BBMP to allow the SPV to make payment of property tax for the assessment year 2016-17. The matter is currently pending and as of the date of these financial statements, no further developments have taken place. Accordingly, this has been disclosed as a contingent liability. The SPV paid INR 646.69 Million (31 March 2020: INR 646.69 Million) under protest against the above demand.



2. The SPV has also received demand notices dated 9 October 2017 to pay a sum of INR 760.07 Million including penalty as of that date towards the differential property tax based on the total survey report for certain blocks for the period 2008-09 to 2017-18. An appeal had been filed before the Joint Commissioner, BBMP, Bytarayanapura, Bangalore (“Joint Commissioner”) objecting the total survey report and property tax assessment notice arising therefrom. New demand notices dated 17 January 2019 were issued to pay a sum of INR 860.39 Million (including penalty) towards the differential property tax for the period 2008-09 to 2017-18 and interest upto the date of payment as per the demand notices. The SPV submitted a letter to the Joint Commissioner dated 29 March 2019 referring to the appeals preferred by the SPV and had paid a sum of INR 286.80 Million towards property tax demanded under protest. An order was passed by the Joint Commissioner dismissing the appeal preferred by the SPV. Against the order passed by the Joint Commissioner, MPPL has based on external legal opinion, filed a writ petition before the Hon’ble High Court of Karnataka on 3 August 2020 on various grounds, inter alia, that the rates BBMP has relied on to calculate property tax in the said demand notices dated 9 October 2017 has been already challenged in a writ appeal filed by the SPV and pending before Hon’ble High Court of Karnataka as mentioned in note iv(a) above. The said writ appeal has been admitted and the date of hearing is awaited. Accordingly, a net contingent liability of INR 573.59 Million (31 March 2020: INR 573.59 Million) has been disclosed in these financial statements.
3. SPV has filed a writ petition in 2015 against the BBMP and others seeking to inter-alia, quash (i) a circular from 2014 re-fixing the improvement charges under the Karnataka Municipal Corporations Act, 1976, and the Karnataka Municipal Corporations (Recovery of Improvement Expense) Rules, 2009, and (ii) a notice from 2015 demanding payment of betterment charges of INR 127.9 Million. In 2016, the Hon’ble High Court of Karnataka has granted an interim stay on the impugned circular and notice.

Note: For all other litigations related to the properties please refer to the annual report for period ending 31 March 2020 available on the following link-

https://s2.q4cdn.com/482484005/files/doc_financials/2020/ar/updated/EOPR-New-Annual-Report-FY2020.pdf

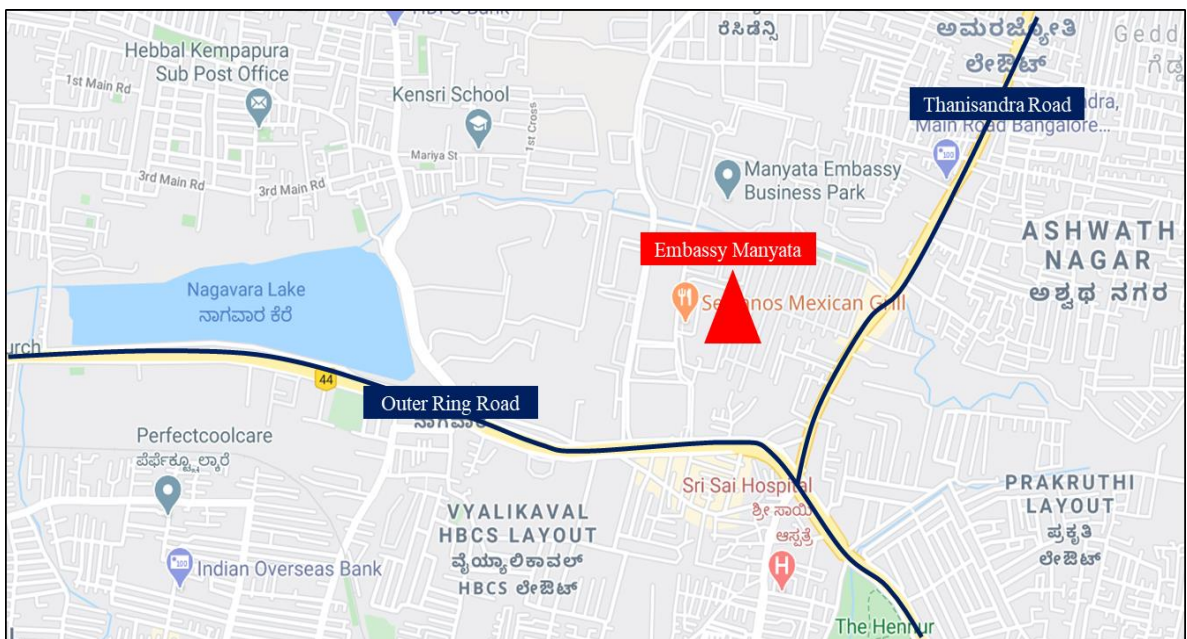
2 Location

2.1 General

Embassy Manyata Business Park

The property 'Embassy Manyata Business Park' (hereinafter referred to as the CAM Business 1) is the second largest commercial tech park in India and is the largest in Bengaluru. The CAM Business 1 is located in North Bengaluru and is accessible through the Nagavara Outer Ring Road. Further, the CAM Business 1 is strategically located in proximity to developing micro-markets of Thanisandra & Hennur Road in North Bengaluru.

The location map of the CAM Business 1 is set out below:

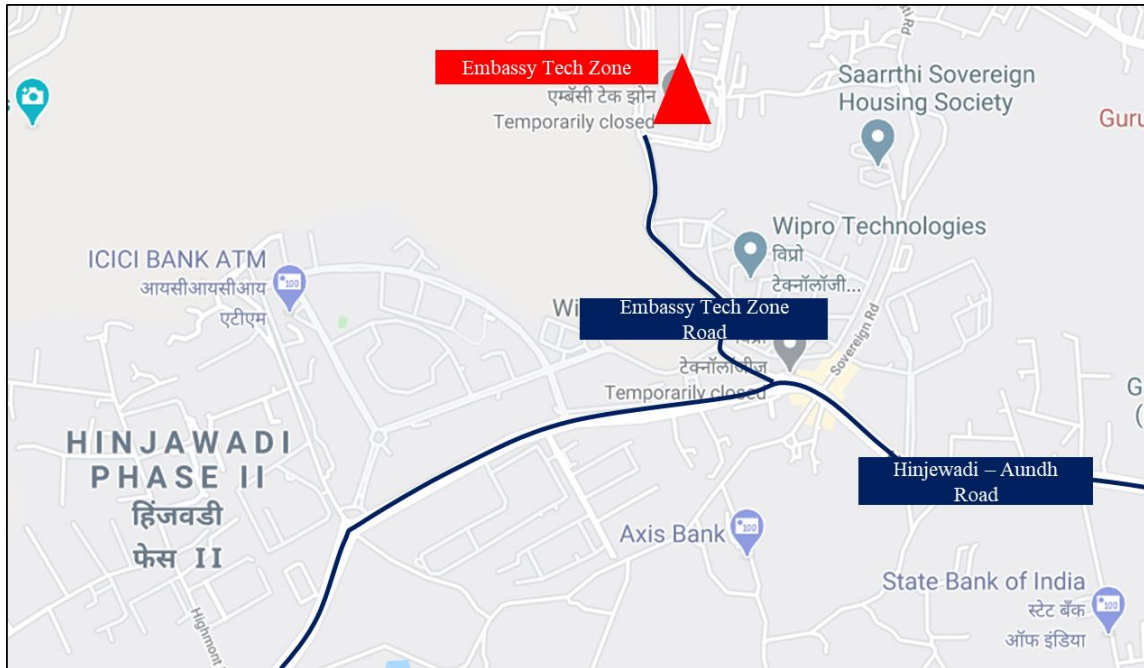


The CAM Business 1 is spread out over ~121.8 acres of land parcel. Located along the Outer Ring Road, the CAM Business 1 enjoys good frontage and has a relatively flat topography with no significant variations in the height of the land.

Embassy Tech Zone

The property 'Embassy Tech Zone' (hereinafter referred to as the CAM Business 2) is located in Hinjewadi which is a prominent technology hub of Pune city. The tech park is spread across a total land area of approximately 67.5 acres. It houses many tenants and provides amenities like food court, amphitheatre, shuttle services, gymnasium, multilevel car parking etc.

The location map of the CAM Business 2 is set out below:



The CAM Business 2 is spread out over ~67.5 acres of land parcel. It is located strategically in Hinjewadi which is a prominent technology hub of Pune city.

2.2 Accessibility

Embassy Manyata Business Park

The CAM Business 1 is well connected to major locations in the city via road network. The distance of the CAM Business 1 from major landmarks in the city is as follows:

- Approximately 1-2 kms from Nagavara Junction
- Approximately 3-4 kms from Hebbal Junction
- Approximately 7-8 kms from Yelahanka Junction
- Approximately 11-14 kms from M.G. Road (CBD)
- Approximately 29-31 kms from Kempegowda International Airport

The CAM Business 1 is well accessible to different parts of the city through the Outer Ring Road. It also has access to basic urban infrastructure in terms of power, water supply and municipal sewerage system.

Embassy Tech Zone

The CAM Business 2 is well connected to major locations in the city via road network. The distance of the CAM Business 2 from major landmarks in the city is as follows:

- Approximately 5-6 kms from National Highway 48 (Connecting Mumbai – Pune – Bengaluru)



- Approximately 20-21 kms from Pune CBD (Peth areas)
- Approximately 20-21 kms from Pune Railway Station
- Approximately 26-27 kms from Pune International Airport

The CAM Business 2 is well accessible to different parts of the city. It also has access to basic urban infrastructure in terms of power, water supply and municipal sewerage system.

2.3 Ground Conditions

Based on the information received from the client, there does not seem to be any adverse ground condition. However, ground conditions do not have any material bearing on the valuation exercise for the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone).

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 premises or underlying land of the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) (including any ground water).

The location and cities where the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) are operational do not appear to face any undue risk which may materially affect its operations.

2.5 Town Planning and Statutory Considerations

We have not made formal search and have not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might materially affect the operations of the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone).



3 Subject Business - Asset Description

Embassy Manyata Business Park

The CAM Business 1 is an operational commercial asset with approximately 11.8 Million sq. ft. of completed leasable area. The current occupancy in the tech park is approximately 97.0%

Completed Area- The completed buildings and parts thereof with Occupancy Certificate (OC) collectively admeasure ~11.8 Million sq. ft. of leasable area. Out of which 17 blocks are SEZ buildings and 10 are Non-SEZ buildings.

Under-construction Area- The under-construction buildings collectively admeasure ~1.6 Million sq. ft. of leasable area. Out of which the SEZ block M3-A is expected to be completed by Q3 FY 2023 while the SEZ block M3-B is expected to be completed by Q3 FY 2024.

Proposed Development Area- The proposed buildings collectively admeasure ~1.4 Million sq. ft. of leasable area. Out of which F-1 block is SEZ building and is expected to be completed by Q3 FY 2025 while L-4 block is Non-SEZ building is expected to be completed by Q1 FY 2024.

The table below highlights the leasable area for individual blocks that form part of the subject development:

Block	Total Area (Million sq. ft.)	Operational Area (Million sq. ft.)	Under Construction Area (Million sq. ft.)	Proposed Development Area (Million sq. ft.)
SEZ Area	10.7	8.3	1.6	0.7
Non-SEZ Area	4.1	3.4	-	0.7
Total	14.8	11.8	1.6	1.4

Source: Rent Rolls, Annual Report of Embassy Office Parks REIT FY 2020



Embassy Tech Zone

The CAM Business 2 is an operational SEZ commercial asset with approximately 2.2 Million sq. ft. of completed leasable area. The current occupancy in the tech park is approximately 90.6%.

Completed Area – The completed SEZ buildings and parts thereof with Occupancy Certificate (OC) collectively admeasure ~2.2 Million sq. ft. of leasable area.

Under-Construction Area– The under-construction buildings collectively admeasure ~0.9 Million sq. ft. of leasable area. Hudson and Ganges blocks are expected to be completed by FY 2023.

Proposed Development Area- The proposed SEZ buildings collectively admeasure ~2.4 Million sq. ft. of leasable area.

The table below highlights the leasable area for individual blocks that form part of the subject development:

Block	Total Area (Million sq. ft.)	Operational Area (Million sq. ft.)	Under Construction Area (Million sq. ft.)	Proposed Development Area (Million sq. ft.)
SEZ Office	5.5	2.2	0.9	2.4
Total	5.5	2.2	0.9	2.4

Source: Rent Rolls, Annual Report of Embassy Office Parks REIT FY 2020



3.1 Key Asset Information

Embassy Manyata Business Park

Particulars	Details
Entity:	Embassy Office Parks Management Services Private Limited
Interest owned by (%):	Embassy REIT: 64% Embassy Office Parks Private Limited: 36%
Asset type:	Tech Park mix of SEZ blocks and Non-SEZ block
Sub-market:	Outer Ring Road (Hebbal – KR Puram)
Approved and existing usage:	Commercial Office/IT SEZ
Site Area (acres):	~121.76
Freehold/Leasehold:	Freehold
Leasable Area¹:	11.8 Million sq. ft.
Occupied Area:	11.4 Million sq. ft.
Committed Occupancy (%)²	97.0%
Number of Tenants	41

Source: Client information, Annual Report of Embassy Office Parks REIT FY 2020

Notes:

1. The Client has obtained occupation certificate for the complete leasable area admeasuring 11.8 Million sq. ft.
2. Committed occupancy also includes area which has been pre-leased to tenants.



Embassy Tech Zone

Particulars	Details
Entity:	Embassy Office Parks Management Services Private Limited
Interest owned by (%):	Embassy Office Parks Private Limited: 100%
Asset type:	Tech Park has SEZ blocks
Sub-market:	PBD West (Hinjewadi)
Approved and existing usage:	Commercial Office/IT SEZ
Site Area (acres):	~67.5
Freehold/Leasehold:	Freehold
Leasable Area¹:	2.2 Million sq. ft.
Occupied Area:	2.0 Million sq. ft.
Committed Occupancy (%)²	90.6%
Number of Tenants	17

Source: Client information, Annual Report of Embassy Office Parks REIT FY 2020.

Notes:

1. The Client has obtained occupation certificate for the complete leasable area admeasuring 2.2 Million sq. ft.
2. Committed occupancy also includes area which has been pre-leased to tenants.

3.2 Property Inspection

The inspection of the underlying properties of the Subject Business was carried out through an independent third party authorized by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise and the Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct.

3.3 Investigation and nature and source of information

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

- a. Rent Rolls mentioning property areas
- b. Annual Report of the Embassy Office Park REIT FY 2020



- c. Client management representations

3.4 Tenant Profile

Embassy Manyata Business Park

As on 30th September 2020, CAM Business 1 has 41 tenants (for office space).

The top 10 tenants of CAM Business 1 account to ~68.7% of the Gross Rental income.

Rank	Top 10 tenants according to Leasable Area	Leasable area (Million sq. ft.)
1	Tenant 1	2.3
2	Tenant 2	2.1
3	Tenant 3	0.7
4	Tenant 4	0.6
5	Tenant 5	0.6
6	Tenant 6	0.5
7	Tenant 7	0.4
8	Tenant 8	0.3
9	Tenant 9	0.3
10	Tenant 10	0.2

Source: Client information



Embassy Tech Zone

As on 30th September 2020, CAM Business 2 has 17 tenants (for office space).

The top 10 tenants of CAM Business 2 account to ~81.6% of the Gross Rental income.

Rank	Top 10 tenants according to Leasable Area	Leasable area (Million sq. ft.)
1	Tenant 1	0.5
2	Tenant 2	0.2
3	Tenant 3	0.1
4	Tenant 4	0.1
5	Tenant 5	0.1
6	Tenant 6	0.1
7	Tenant 7	0.1
8	Tenant 8	0.1
9	Tenant 9	0.1
10	Tenant 10	0.1

Source: Client information

4 Valuation Approach & Methodology

The CAM services have been valued based on current terms of providing Common Area Maintenance Services and the current revenue profile projected to capture the addition of new areas getting constructed and improvement of overall occupancies of the Subject Properties keeping normalised CAM EBITDA margins through the projected years and estimating the terminal value using an appropriate cap rate, thereafter discounting the CAM Services Business Cash Flows using appropriate discount rate.

4.1 CAM Services Business Cash Flow Projections (CAM Valuation):

1. The CAM Margin for the operational and under-construction/proposed area has been projected to arrive at their respective value estimates
2. Going forward escalation of 5% year on year on CAM Margin has been assumed and net income was arrived after making adjustment for operating expenses and management fees.
3. The net income on yearly basis have been projected over next 10 years and the one-year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value. The yearly CAM Services Business Cash Flow 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 CAM Services Business Cash Flow.



5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the CAM Business in the Subject Properties as on 30th September 2020:

5.1 CAM Valuation (Embassy Manyata & Embassy Tech Zone)

5.1.1 Embassy Manyata CAM Valuation

Common Area Maintenance service in Embassy Manyata Park is currently provided by Embassy Services Private Limited. In addition, area under- construction shall also be managed by Embassy Services Private Limited on completion.

Key Assumptions

Existing Operational Office Blocks	Total area of ~11.8 Million sq. ft. Mix of SEZ & non SEZ	The revenue of CAM is linked to the margin earned for the facility, the growth in the revenues is in line with the inflation expectation of 5%
Under-Construction space (Block F-1, Block L-4, M3-A and M3-B)	Total area of ~3.0 Million sq. ft.	For the under-construction blocks revenue and margin of existing operational office block is considered as a base to compute the projected CAM Services Business Cash Flows.

Revenue & Financial Assumptions²

Particulars	Unit	Information
FY 19-20 CAM Margin	INR/annum (Million)	410
Management Fees	INR/sq. ft. /month	0.5
CAM Margin Growth Rate	%	5
Cap Rate	%	8
WACC	%	11.75

5.1.2 Embassy Tech Zone CAM Valuation

Common Area Maintenance service in Embassy Tech Zone Park is currently provided by Embassy Services Private Limited. In addition, area under- construction shall also be managed by Embassy Services Private Limited on completion.



Key Assumptions

Existing Operational Office Blocks	Total area of ~2.2 Million sq. ft. Mix of SEZ & non SEZ	The revenue of CAM is linked to the margin earned for the facility, the growth in the revenues is in line with the inflation expectation of 5%
Under-Construction space (Block 4, Block 9, Block 10, Hudson, Ganges, Volga)	Total area of ~3.3 Million sq. ft.	For the under-construction blocks revenue and margin of existing operational office block is considered as a base to compute the projected CAM Services Business Cash Flows.

Revenue & Financial Assumptions²

Particulars	Unit	Information
FY 19-20 CAM Margin	INR/annum (Million)	72
Management Fees	INR/sq. ft. /month	0.5
CAM Margin Growth Rate	%	5
Cap Rate	%	8
WACC	%	11.75

² The capitalised value of future earnings at notional exit in the terminal year ascribed earlier has been adjusted for INR 187 crore for the sake of consistency for the purpose of arriving at the net present value of Embassy Manyata and Embassy Techzone CAM business.

Discount Rate & Cap Rate assumptions

• Discount Rate

This discount rate applied to the available CAM Services Business 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, a peer group of listed comparable were studied and suitable adjustments made therein to reflect the specific opportunities and characteristics of the underlying properties of the CAM Business as part of a listed portfolio. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the underlying properties of the CAM Business 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. Thereby the derived discount rate of 11.75% has been assumed.

• Capitalisation Rate

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

The CAM revenue and margins thereof are inextricably linked to the tenancies and lease contracts of the underlying property which are included in the NOI from the property. Thus for the purpose of estimating relevant Capitalisation Rate for the CAM Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone), cap rates of some key investments in properties comparable to underlying properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Thus, the cap rate for the CAM Business has been assumed to be 8% which is 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
Tishman Speyer - GIC	Shapoorji Pallonji - Allianz	Gachibowli	Hyderabad	Waverock	Commercial	2019	2,300,000	1,900	~8%
Radius Developers	Blackstone	BKC	Mumbai	One BKC	Commercial	2019	700,000	25,000	8% - 8.25%
Essar Group	Brookefield Assest Management	Off BKC	Mumbai	Equinox Business Park	Commercial	2019	1,250,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur	Chennai	One Indiabulls	Commercial	2018	1,880,000	9,000	~8.33%
JV of Shapoorji & CPPIB	Mapletree	Perungudi	Chennai	SP Infocity	Commercial	2018	2,700,000	24,000	7.75% - 8%
Prestige Group	Individual Buyer	Whitefield	Bangalore	Prestige Techno Star	Commercial	2017	40,000	260	~8.5%

Source: Secondary Market Research



6 Market Value

The Valuer is of the opinion that subject to the overriding stipulations contained within the body of this report, the opinion of value of the complete ownership interest in the the Subject Properties/Business (CAM Business of Embassy Manyata Business Park and Embassy Tech Zone) is as follows

Components	Value in (₹ Mn)
Embassy Manyata CAM Business	4,086
Embassy Tech Zone CAM Business	1,280
Total	5,366

Prepared by

(Shubhendu Saha)
IBBI/RV/05/2019/11552



Annexure 1: CAM Services Business Cash Flows

Embassy Manyata Business Park

Embassy Manyata	30-09-2020	30-09-2021	30-09-2022	30-09-2023	30-09-2024	30-09-2025	30-09-2026	30-09-2027	30-09-2028	30-09-2029	30-09-2030
Net Margin (INR Million)		355	377	419	489	543	586	620	655	692	731
Terminal value											6985
Total	0	355	377	419	489	543	586	620	655	692	7716

Embassy Tech Zone

Embassy Tech Zone	30-09-2020	30-09-2021	30-09-2022	30-09-2023	30-09-2024	30-09-2025	30-09-2026	30-09-2027	30-09-2028	30-09-2029	30-09-2030
Net Margin (INR Million)		64	68	86	115	148	195	227	240	253	268
Terminal value											2532
Total	0	64	68	86	115	148	195	227	240	253	2800



Annexure 2: Property Master Plan

Embassy Manyata Business Park– Master Plan



Source: Client information



Embassy Tech Zone – Master Plan



Source: Client information



Annexure 3: List of sanctions and approvals-

Embassy Manyata Business Park

- a) All requisite approvals and occupancy certificates for the operational blocks are received.
- b) Sanction plan for the entire development is received, hence for all the under-construction and proposed blocks, individual approvals will be obtained as and when the development is initiated.

Embassy Tech Zone

- a) All requisite approvals and occupancy certificates for the operational blocks are received (barring few floors).
- b) Sanction plan for the entire development is received, hence for all the under-construction and proposed blocks, individual approvals will be obtained as and when the development is initiated.

Source: Client information



Annexure 4: 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 *Embassy Office Parks Management Services Private Limited* (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 his own macro understanding of the market through readily available information in public domain. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis herein.
 - e. The services provided is limited to valuation of the CAM Business of Embassy Manyata Business Park and Embassy Tech Zone 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 Business 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.