

May 19, 2023

**BSE Limited**

The Corporate Relations Department,  
25<sup>th</sup> Floor, P J Towers, Dalal Street  
Fort, Mumbai – 400 001

**SCRIP CODE: 543261****SCRIP ID: BIRET****National Stock Exchange of India Limited**

The Corporate Relations Department  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot no. C/1, G Block  
Bandra-Kurla Complex, Bandra(E),  
Mumbai – 400 051

**SYMBOL: BIRET****Subject: Valuation Report of Brookfield India Real Estate Trust**

Dear Sir/Madam,

Please find enclosed the full valuation reports of the following assets of Brookfield India Real Estate Trust (“**Brookfield India REIT**”):

1. Kensington, Powai, Mumbai
2. Candor TechSpace K1, Rajarhat, Kolkata
3. Candor TechSpace G2, Gurugram
4. Candor TechSpace N1, Noida
5. Candor TechSpace N2, Noida

The valuation reports are also available on the website of Brookfield India REIT at <https://www.brookfieldindiareit.in/reports/#reports>

Please take the above information on record.

Thanking You.

Yours Faithfully,

**For Brookprop Management Services Private Limited  
(as a manager of Brookfield India Real Estate Trust)**

**Saurabh Jain****Company Secretary and Compliance Officer**

**CC:** Axis Trustee Services Limited  
Axis House, Bombay Dyeing Mills Compound  
Pandurang Budhkar Marg, Worli,  
Mumbai 400 025, Maharashtra, India

**BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED (As Manager of Brookfield India Real Estate Trust)**

Registered Office: Godrej BKC, Office No.2, 4th Floor, Plot C-68, 3rd Avenue, G-Block, Bandra Kurla Complex, Mumbai – 400051

Correspondence Address: Candor TechSpace, IT/ITES SEZ, Tower 5A, Tikri, Sector 48, Gurugram

T: 0124-3821400; 022-45832450 E: reit.compliance@brookfield.com; reit.manager@brookfield.com

Website of Brookfield India Real Estate Trust: <https://www.brookfieldindiareit.in/> CIN: U74999MH2018FTC306865



# **VALUATION REPORT**

## **Kensington, Powai, Mumbai Region**

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

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

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

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



## **Disclaimer**


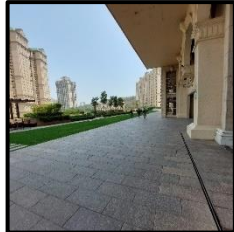


*This report is prepared exclusively for the benefit and use of Brookfield India Real Estate Trust ("Brookfield India REIT") (the "Recipient" or the "Company" or "Instructing Party") and / or its associates and for, presentations, research reports, publicity materials, press releases prepared for the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

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

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

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

**Executive Summary**

<b>Kensington (A &amp; B), SEZ Building, Powai, Mumbai, India</b>		
<b>Valuation Date:</b>	31 <sup>st</sup> March 2023	 <p>View 1 of Subject Property</p>
<b>Site Visit Date:</b>	11 <sup>th</sup> April 2023	
<b>Valuation Methodology:</b>	10 Year Discounted Cash Flow	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India in accordance with the SEBI (REIT) Regulations, 2014	
<b>Location / Situation:</b>	<p>Kensington is located at Hiranandani Business Park, CTS No. 28A, Powai, Mumbai Maharashtra – 400076, India. The standalone private IT/ITeS Special Economic Zone (SEZ) development is spread over 8.96 acres comprising of buildings known as Kensington A and Kensington B (hereinafter referred to as the Subject Property) is located at Andheri &amp; Powai micro market, which is home to a number of IT and Non-IT establishments. Andheri &amp; Powai micro-market is bounded by Powai Lake to its north, Andheri to its west, Ghatkopar and Vidya Vihar to its south and Vikhroli and Kanjurmarg to its east. The micro-market enjoys good road connectivity via Jogeshwari-Vikhroli Link Road (JVLR), Chandivali Road and Hiranandani Link Road. Kensington is surrounded by residential projects developed by Hiranandani Group. Some of the prominent office developments in the vicinity are Supreme Business Park, Scorpio House, Prima Bay, Delphi, Godrej IT Park, Solitaire Corporate Park, Kanakia Wall Street, Times Square, Raiaskaran Tech Park etc. It also houses prominent tenants such as Tata Consultancy Services, Wipro, Baker Hughes, etc.</p>	 <p>View 2 of Subject Property</p>  <p>View 3 of Subject property</p>
<b>Description:</b>	<p>Kensington is a private IT/ITeS SEZ office space comprising one ready and operational building with two wings (Kensington A &amp; Kensington B) occupied by multiple tenants:</p> <p><b>Completed Buildings with Occupancy Certificate (OC) received – Kensington (A &amp; B)</b></p> <p>The operational buildings collectively admeasure 1,562,544 sq. ft. of leasable area with 86.87% committed occupancy*.</p> <p>The large parking requirement is catered by four parking levels contributing to 1,721 parking spaces. Kensington has two entry and two exit points providing access to D.P. Road and Internal Wide Road.</p>	 <p>View 4 of Subject property</p>
<b>Total Area:</b>	<p>Total Land Area: 8.96 acres</p> <p>Total Leasable Area**: 1,562,544 sq. ft.</p>	

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

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

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



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

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

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 March 2023	INR 24,288 Million	Indian Rupees Twenty-Four Billion Two Hundred and Eighty-Eight Million Only

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

**VALUATION FOR MARCH 2022 AND MARCH 2021**

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>
Completed Building	31 March 2022	INR 27,758 Million
Completed Building	31 March 2021	INR 25,492 Million

*Note: Market Value of the Subject Property for March 2022 and March 2021 by previous Valuer (Shubhendu Saha)*



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

**To: Brookfield India Real Estate Trust**

**Property: Kensington, Powai, Mumbai, Maharashtra, India**

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

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

## **A REPORT**

### **1 Instructions**

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

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

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

L. Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining Cushman, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the State Governments in India.



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

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

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

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

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

### **4 Purpose of Valuation**

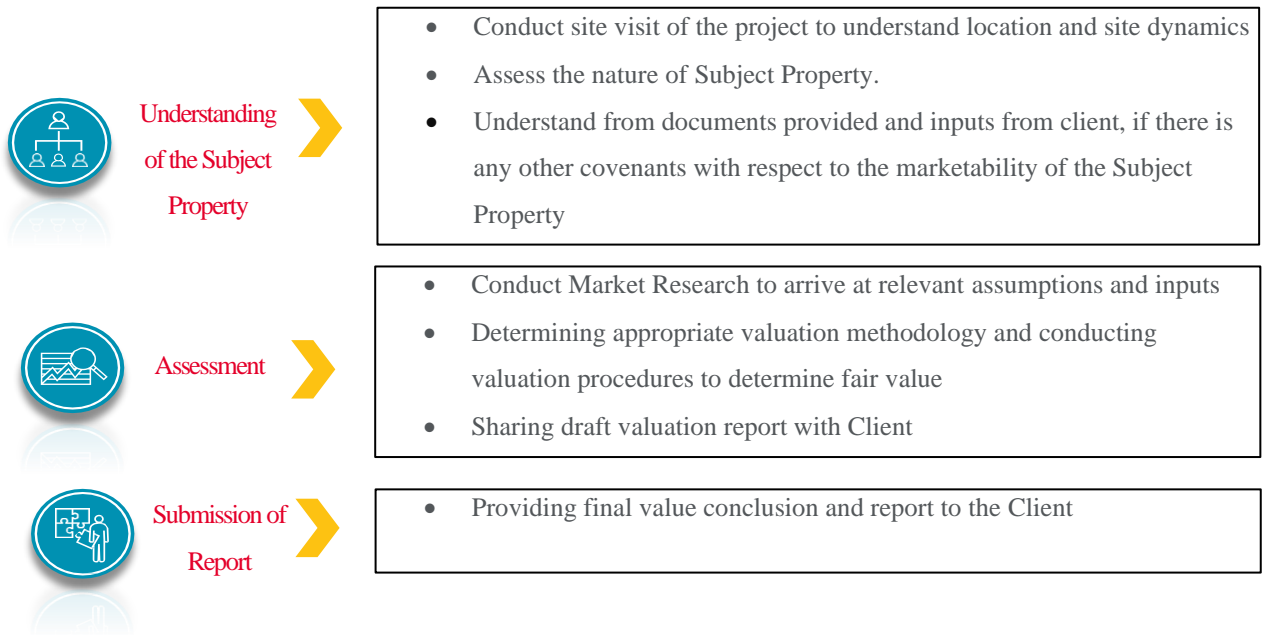
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities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

### **5 Basis of Valuation**

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

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

## 6 Valuation Approach & Methodology



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

### **Discounted Cash Flow Method using Rental Reversion**

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

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

## 7 Assumptions, Departures and Reservations

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





## **8 Inspection**

The Property was inspected on 11<sup>th</sup> April 2023 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the property has taken place.

## **9 General Comment**

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

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

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

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



## **10 Confidentiality**

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

## **11 Authority**

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

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

## **12 Reliant Parties**

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

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



### **13 Limitation of Liability**

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

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

### **14 Disclosure and Publication**

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

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

Both Parties represents, warrants and undertakes that:

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

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



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



## **B Mumbai Region Overview**

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

## 1 Mumbai Region Overview

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

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



Source: C&WI Research  
(Map not to scale)





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

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



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

Particulars	Mumbai -Overall	CBD	**Andhe ri and Powai	Thane Belapur Rd	Malad – Goregao n	Worli – Lower Parel	BKC & Annexe	Thane	Central Suburbs	Eastern Suburbs	Vashi & Others	Competitive REIT Micro- Markets^
<b>Total completed stock Q1 2023 (msf)</b>	104.80	2.08	20.86	17.14	14.78	13.42	10.55	10.36	5.69	6.06	3.86	17.03
<b>Current occupied stock Q1 2023 (msf)</b>	83.34	1.86	18.14	13.12	12.63	8.06	8.99	9.20	4.03	4.86	2.46	14.86
<b>Current Vacancy Q1 2023 (%)</b>	20.5%	10.4%	13.0%	23.5%	14.6%	39.9%	14.8%	11.2%	29.2%	19.9%	36.3%	12.7%
<b>Avg. Annual Absorption – 2015 – Q1 2023 (msf)</b>	3.80	0.00	0.51	0.74	0.55	0.19	0.46	0.71	0.30	0.19	0.16	0.63
<b>Future Supply – 2023F – 2025F (msf)</b>	16.25	0.00	5.47	3.37	1.80	2.14	0.26	2.00	0.69	0.00	0.50	4.95
<b>Market Rent – Q1 2023 (INR psf / month)</b>	137.41	231.59	136.22	62.39	124.86	190.54	274.62	71.75	137.74	136.82	91.51	*167.23
<b>CAGR for Market Rent (2015 – Q1 2023)</b>	1.11%	-0.31%	2.03%	2.72%	2.79%	1.25%	0.90%	4.91%	-0.02%	4.49%	1.65%	4.17%

Source: Cushman & Wakefield Research

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

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

\*\*Subject Property Micro-Market

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



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

Brookfield India REIT has the following asset in Mumbai.

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

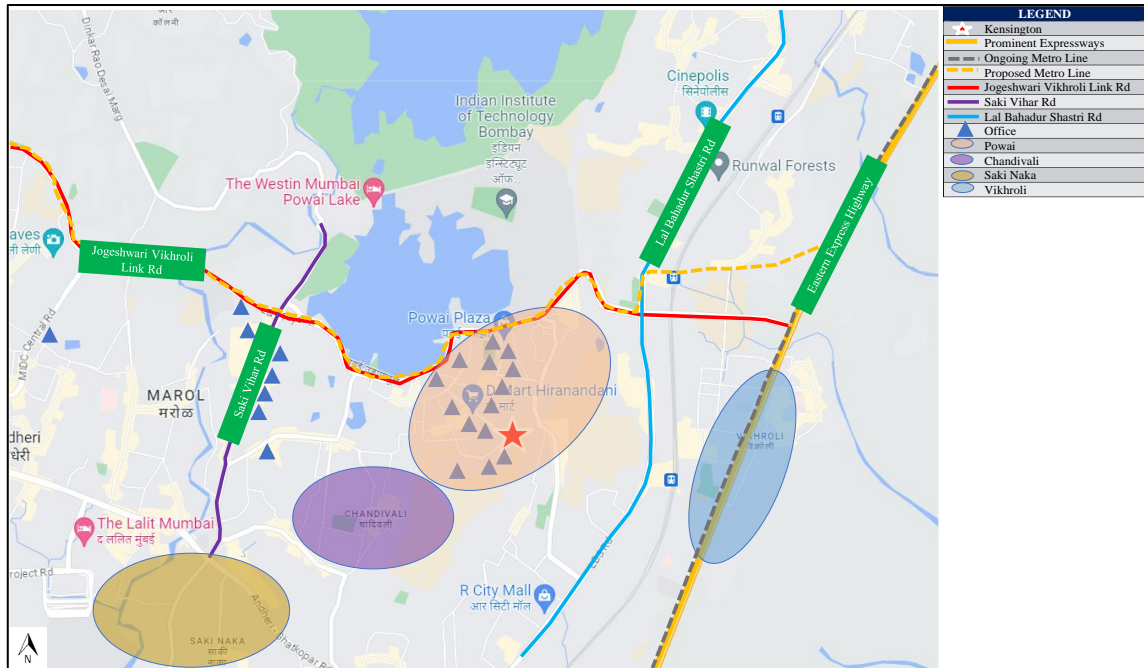
Kensington Towers is a freehold, 1.56 million sq. ft. Grade-A office SEZ complex and is uniquely positioned as the only private IT/ITeS SEZ in the Mumbai region excluding Thane and Navi Mumbai. It is well positioned in the micro-market due its proximity to well-developed social infrastructure and the upcoming metro stations (IIT – 2.6 km from the Subject Property) which is a key differentiating factor, given an increasing focus by corporate occupiers on the ease of commute for their employees. The office park is situated within Hiranandani Gardens, Powai, a modern township comprising residential towers, office complexes, hospitals, schools and high street retail. This 'live-work-play' ecosystem has grown to become a key differentiating factor for the office park, driven by an increasing focus by corporate occupiers on lifestyle solutions for their employees.

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

### **2.1 Overview**

Andheri & Powai are suburbs of Mumbai city situated in northern part of Mumbai. Andheri & Powai micro-market is one of the most established commercial precincts in the suburban region of Mumbai. There are several commercial establishments and several high-end residential projects located in this micro market. The micro market is an established office hub having office of various national and multinational companies. It also has several high-end residential projects by renowned developers like Hiranandani Developers, Omkar Realtors, Kanakia group, Mahindra Lifespaces, etc.

Additionally, R-City mall, Haiko mall, and Infiniti Mall located in and around the micro market are some of the established and leading retail malls that witnesses significant footfalls. The micro market has good social infrastructure with the presence of restaurants, multiplexes, schools, hospitals and colleges. The micro market is well connected to major parts of Mumbai by both railways and roadways. Connectivity to the eastern suburbs is via Jogeshwari – Vikhroli Link Road (JVLR) while S V Road and Western Express Highway provides easy accessibility to western suburbs and South Mumbai. The JVLR has improved connectivity of Powai with Western Express Highway while Lal Bahadur Shastri (LBS) Marg offers connectivity to eastern suburbs of Vikhroli, Kanjurmarg and Bhandup. The micro market is well connected to both Mumbai and Navi Mumbai via Western Railway line, Central and Harbour railway line, with trains at regular intervals. Also, presence of operational Metro Line 1, which connects Andheri to Ghatkopar enhances east-west connectivity of the micro-market. Proximity to both domestic and international airport also makes the commute easier for business travellers.



Source: C&WI Research  
(Map not to scale)

Upcoming infrastructure developments like Mumbai Metro Line 3, Line 4 and Line 6 will further smoothen the road traffic in this micro-market.

The increase in rental values of office space in South Mumbai and other micro markets coupled with shortage of availability of quality office space in the city has led companies to look for alternative options in suburban micro-markets such as Andheri & Powai, Malad – Goregaon, etc.

The demand for office space in this micro-market has increased over the past few years as the assets are located among the best performing micro markets are distinguished by scale and infrastructure and driven by proximity to talent pool catchment areas, proximity to residential projects and better connectivity as compared to other parts of the city.

Some of the prominent office developments in the vicinity are Supreme Business Park, Scorpio House, L&T Business Park, Delphi, Godrej IT Park, Solitaire Corporate Park, Kanakia Wall Street, Times Square, Raiaskaran Tech Park etc. Prominent corporates such as JP Morgan, Deutsche Bank, Crisil, Deloitte, Nomura, Morgan Stanley, JM Financial, TCS, Balmer Lawrie and Co. Ltd., Federal Bank, Fullerton etc. are located in this micro market. Further, companies such as Hindustan Unilever Limited, Glenmark and Crisil have their corporate headquarters located in this micro market.

Kensington is located in Andheri & Powai micro market. This micro market in close proximity to talent pool catchment area and also has good accessibility and connectivity with the major hubs and transport modes. Further the REIT asset is a Grade A asset with developed office ecosystem and caters to multinational tenants.

The average quoted monthly Grade A rentals for office space in subject micro market ranges from INR 130-170 psf / month for commercial and INR 120-150 psf / month for IT/ITES/IT SEZ and the typical lease tenure is 5 years with first 3 years as lock – in period.

## 2.2 Key Statistics – Andheri & Powai

Particulars	Details
<b>Total Completed Stock (Q1 2023)</b>	Approximately 20.86 million sq. ft.
<b>Current Occupied Stock (Q1 2023)</b>	Approximately 18.10 million sq. ft.
<b>Current Vacancy (Q1 2023)</b>	Approximately 13.04%
<b>Avg. Annual Net Absorption (2015 – Q1 2023)</b>	Approximately 0.51 million sq. ft.
<b>Future Supply (2023 E – 2025 E)</b>	Q2-Q4 2023E: Approximately 0.75 million sq. ft. 2024E: Approximately 1.15 million sq. ft. 2025E: Approximately 1.35 million sq. ft.

Source: Cushman & Wakefield Research

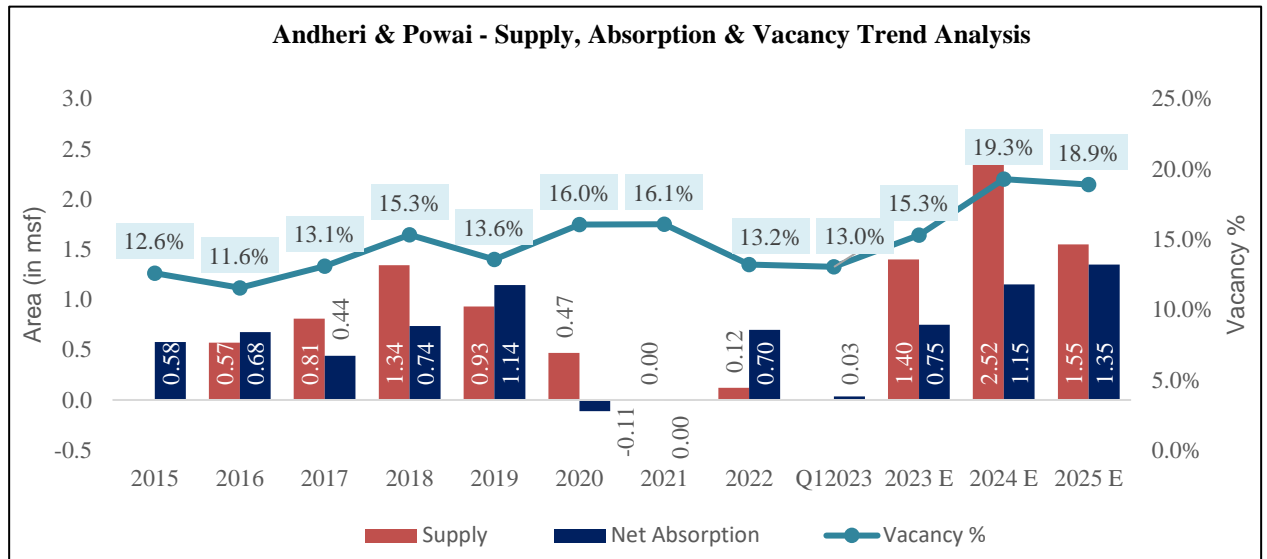
Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. The future supply estimates are based on analysis of proposed and under construction buildings.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.



### 2.3 Supply, Absorption & Vacancy – Andheri & Powai

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



Source: Cushman & Wakefield Research

Notes:

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

Office space demand in Andheri & Powai micro market has remained strong over the years owing to demand from Global Capability Centers (GCC) and professional services companies. This micro market has gained increased traction owing to quality A grade developments, proximity to the talent catchment areas and larger floor plates. Brookfield group currently owns more than 4.0 million sq. ft. of grade-A office space in the micro-market, largest amongst the developers who own grade A office spaces in this micro market.

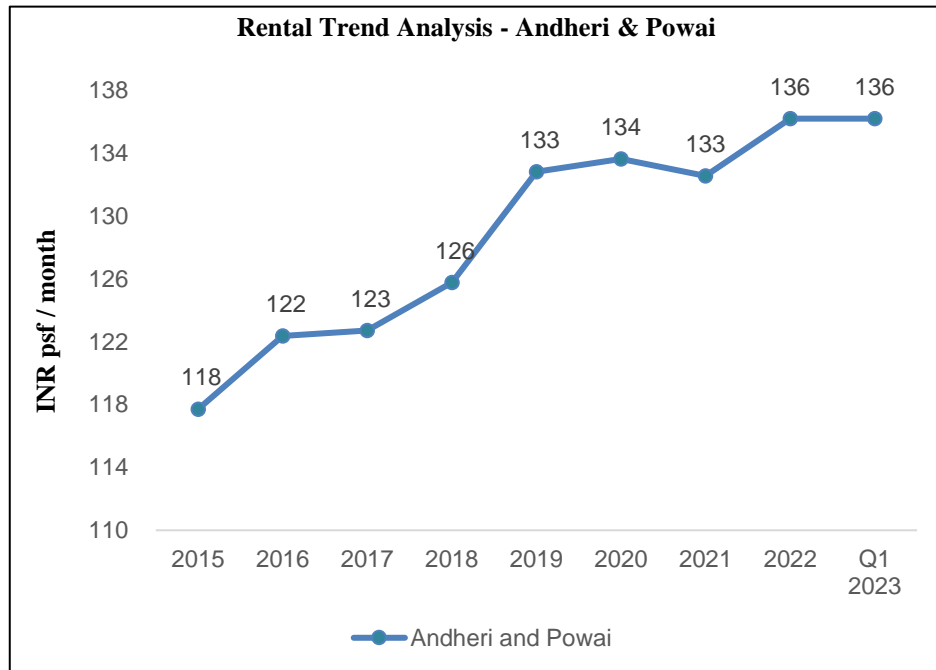
Vacancy has remained range-bound between 12%-15% over 2015-2019. Average annual absorption in the micro market stood at ~0.71 million sq. ft. over the same period. However, with the infusion of ~0.47 million sq. ft. of new supply in 2020 and comparatively weak fresh leasing activity over 2020-2021 resulted into vacancy increasing from 13.6% in 2019 to 16.1% in 2021. Further, 2.0 msf of new supply was delivered during 2022 and ~0.08 msf of stock was withdrawn during the quarter via outright purchase of three floors at Fulcrum by an American Footwear company. Andheri – Powai market have started to witness strong traction from 2022, and thereby vacancy declined to 13.0%

Further, future supply of ~5.47 million sq. ft. is expected to be delivered in this micro-market over 2023 E – 2025 E. We expect the market to foresee a surge in the upcoming supply, thereby, Vacancy is expected increase to 18.9% by 2025 E.



## 2.4 Rental Trend Analysis

The rental trend for Andheri & Powai is as follows:



**CAGR  
2015 – Q1 2023**

**1.98%**

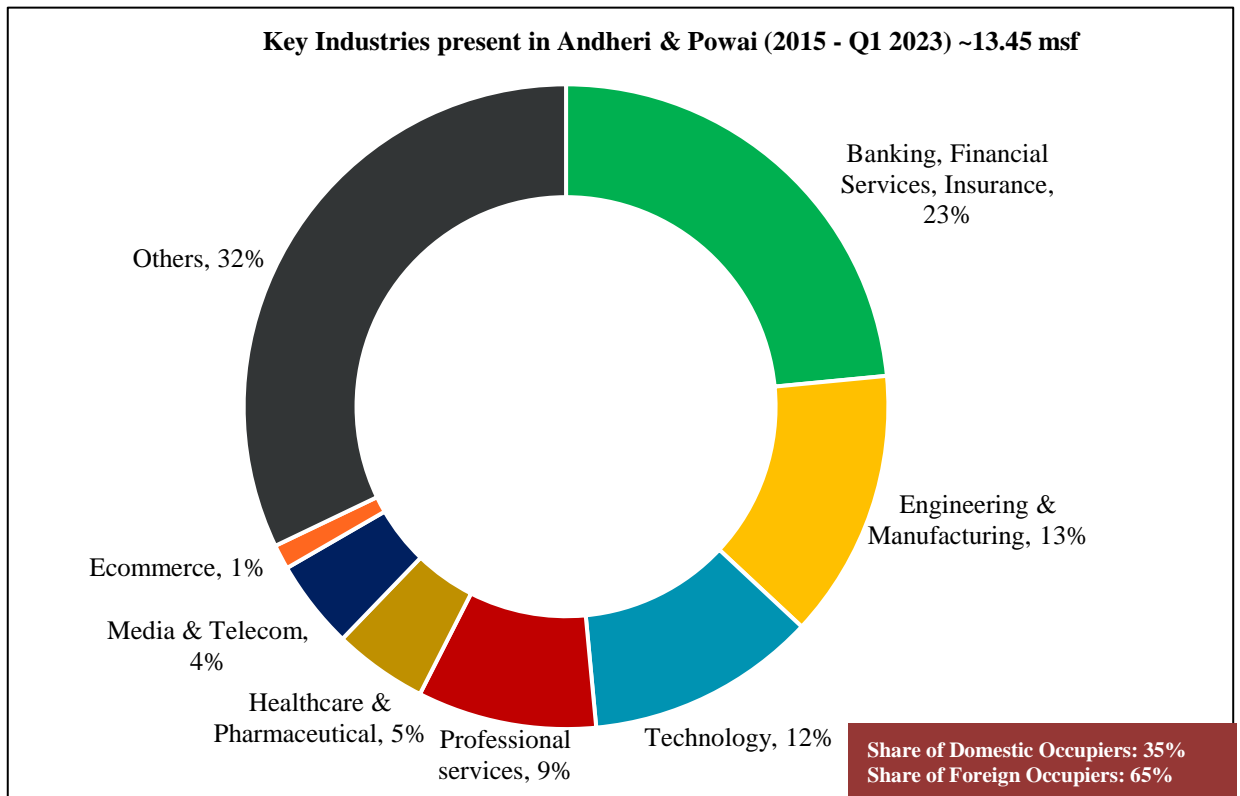
Source: Cushman & Wakefield Research

Notes:

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

Due to increasing traction in the Andheri & Powai micro market, the rentals in this micro market have witnessed an increasing trend over 2015 – 2019, growing at CAGR of 3.04% over the same period. 2020 – 2021 was mostly impacted due to the pandemic, rentals have remained broadly stable post 2019. There has been a recovery in rentals post covid micro market has witnessed a CAGR growth of 1.80% during 2021 – Q1 2023. The current quoted office market rentals varies in range of INR 130-170 psf / month for commercial and INR 120-150 psf / month for IT/ITES/IT SEZ.

**2.5 Sectoral Demand Analysis – Andheri & Powai (2015 – Q1 2023)**



Source: Cushman & Wakefield Research

Notes:

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

Andheri & Powai micro market is one of the biggest micro markets having large concentration of BFSI tenants. This is primarily due to availability of premium grade A developments, enhanced connectivity, proximity to talent pool catchment areas etc. Occupiers from BFSI sector contributed to 23% of leasing activity in Andheri & Powai micro market followed by Engineering & Manufacturing which contributed 13% to the leasing activity. Technology tenants such as STT Global Data Centers India Pvt Ltd and FIS Global have also leased spaces in this micro market thereby making Technology sector the third most dominant sector in this micro market. The mix of foreign vs. domestic occupants in Andheri & Powai micro market is 65:35.

### 3 Competitive REIT Micro Market

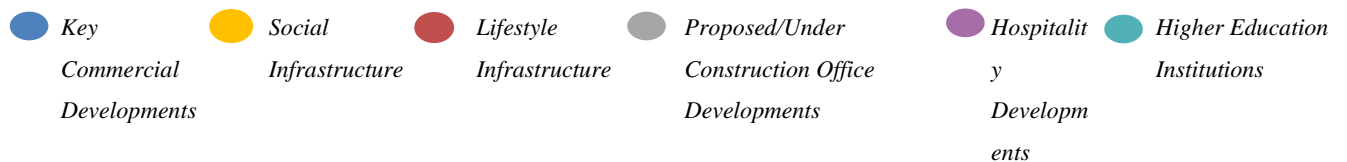
#### 3.1 Overview

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

#### 3.2 Social and Physical Infrastructure



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





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

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

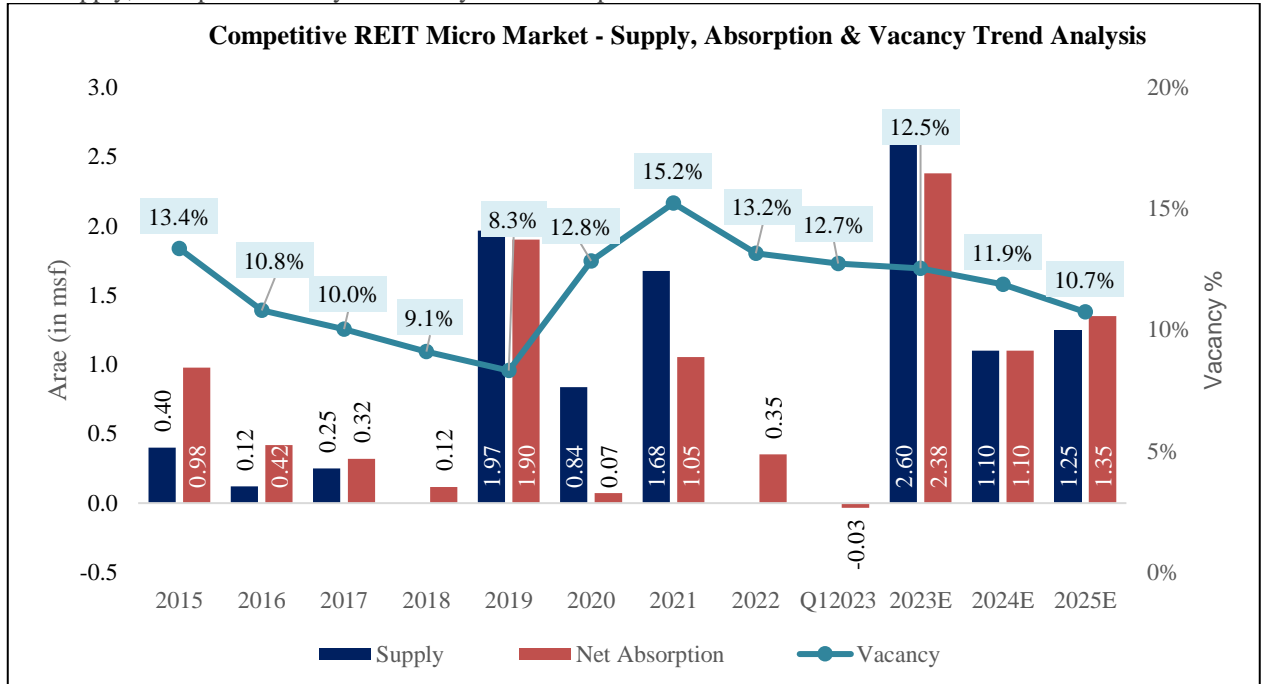
Metro Line-6, in between Swami Samarth Nagar to Vikhroli (EEH) has been proposed to provide further inputs in the infrastructure of Greater Mumbai. Proposed Metro line is 15.31 Km in length & running from Swami Samarth Nagar to Vikhroli (EEH) passing through Jogeshwari, WEH, Powai. This line is fully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

Metro Line 3 is an underground metro project which will connect Colaba and Seepz. Which is currently under construction and it is projected to be operational by 2024. Whereas Metro Lines 2A & 7 are operational.



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

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



Source: Cushman & Wakefield Research

Notes:

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

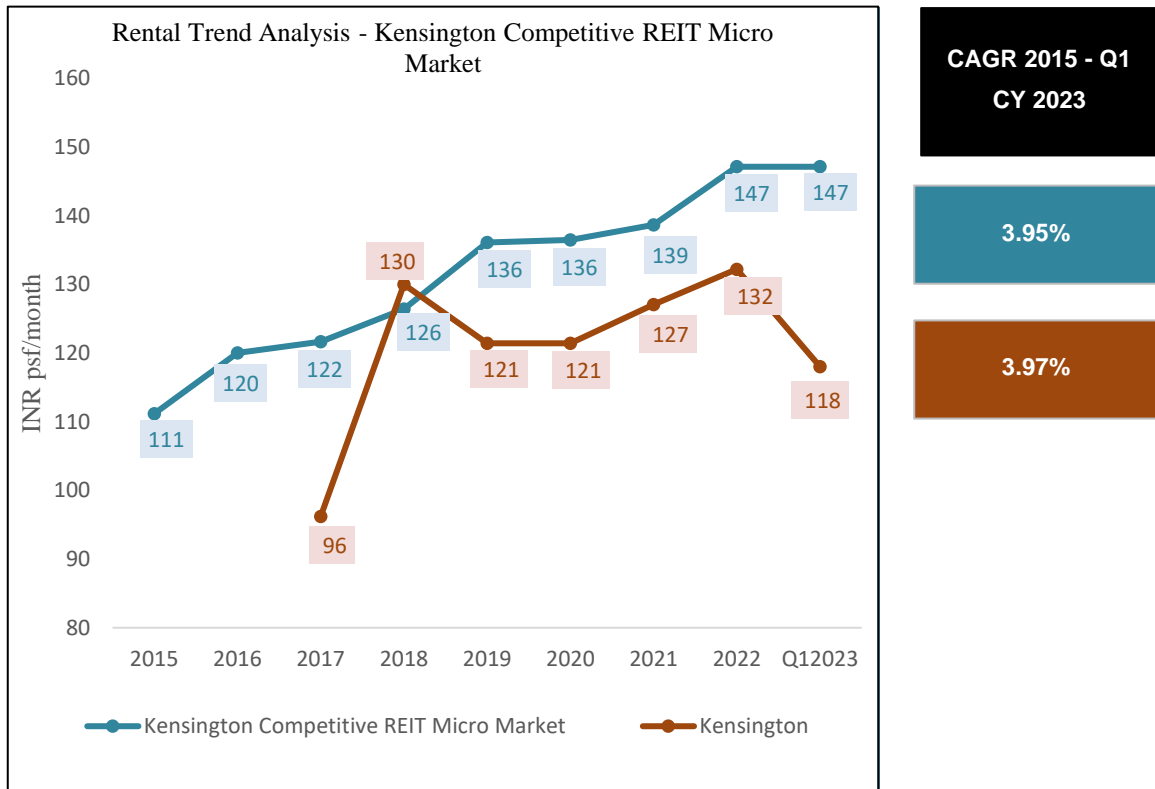
As of Q1 2023, approximately 17.03 million sq. ft. of Grade A stock is present in the Competitive REIT Micro Market of which ~75.74% (12.90 million sq. ft.) is IT/IT SEZ stock. Absorption in Competitive REIT Micro Market led by BFSI and Technology tenants consistently outpaced the total supply leading to declining vacancy levels from 13.4% in 2015 to 8.3% in 2019. However, due to the outbreak of COVID-19, net absorption in the Competitive REIT micro-market (apart from the 1.1 msf of pre-commitment at Nirlon Knowledge Park being translated into absorption) remained broadly muted during 2020-2021, vacancy levels increased to ~15.22% by 2021. The Competitive REIT micro-market has witnessed some signs of recovery post COVID. Vacancy level dropped to 12.7% in Q1 2023 from 15.2% in 2021.

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

Given low vacancy levels in the competitive REIT micro-market, continued strong demand for good quality buildings with strong landlord profile, we expect the vacancy to gradually reduce to 10.74% by 2025E

### 3.4 Rental Trend Analysis

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



Source: Cushman & Wakefield Research

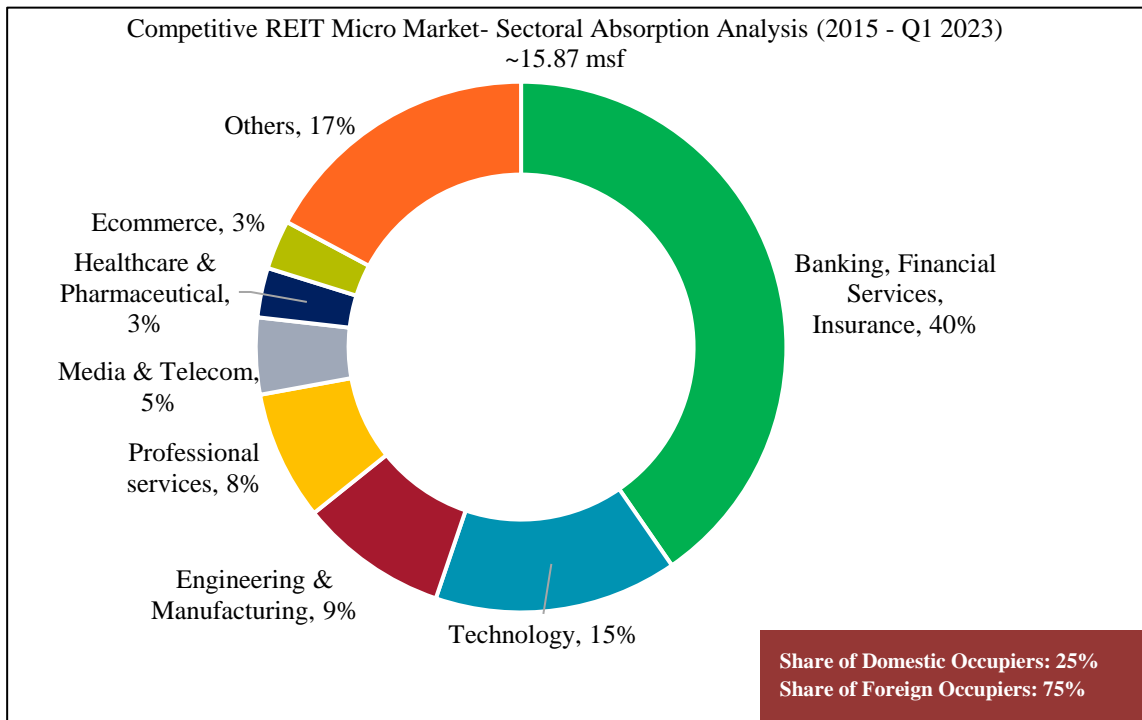
Notes:

1. The rentals are based on the prevailing quotes in the micro-market. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
2. Rentals for Kensington Properties have been sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include fresh leases and renewals from existing tenants, adjusted to asset level efficiency. The rental CAGR for Kensington Properties depicted above, is from 2017 to Q1 2023.
3. Rentals presented above are weighted average values on completed stock.

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



### 3.5 Sector Demand Analysis – competitive REIT Micro Market (2015 – Q1 2023)



Source: Cushman & Wakefield Research

Notes:

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

This competitive REIT micro market consists of quality grade-A buildings which are easily accessible due to presence of strong physical infrastructure. The micro-market has strong social infrastructure and has large concentration of BFSI tenants. This is primarily due to availability of premium grade A developments, enhanced connectivity due to presence of strong existing and upcoming physical infrastructure, proximity to talent pool catchment areas, presence of strong social infrastructure within the micro-market etc. Occupiers from BFSI sector such as Deutsche Bank, TIAA Global, Nomura, JP Morgan etc. contributed to 40.4% of leasing activity in Competitive REIT micro market. Technology sector which contributed 14.8% to the leasing activity is the second most dominant sector in this micro market with occupiers such as Tata Consultancy Services (TCS), Accenture, Wipro, Here Solutions etc. Engineering & Manufacturing and Professional services also contributed ~9.0% and ~7.9% to the leasing activity respectively. The mix of foreign vs. domestic occupants in Competitive REIT Micro Market is 75:25



#### **4 Market Outlook**

According to the market assessment report of Cushman & Wakefield current average market rentals of comparable properties in the Andheri & Powai and competitive REIT micro-market are in the range of INR 120-160 per sq. ft./m for IT/ItS/IT SEZ properties, INR 130-180 psf / month for commercial and INR 220 to 450 for high street retail which is broadly in line with the recent leases signed in the Subject Property. Further over 2015-2019, during the pre-COVID period, the rentals in Subject Property's competitive REIT micro market grew at a CAGR of ~4.55% and have displayed significant resilience during the COVID period, growing at a CAGR of ~3.70% over 2019- Q1 2023.

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

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

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



## **C      SUBJECT PROPERTY REPORT**



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

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

*Source: Client Information*

### **1.1 Encumbrances**

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

### **1.2 Revenue Pendencies**

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

### **1.3 Material Litigation**

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

## 2 Location

### 2.1 General

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

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



(Map not to scale)

The site boundaries for the Subject Property are as under:

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

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



## **2.2 Accessibility**

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

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

## **2.3 Ground Conditions**

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

## **2.4 Environmental Considerations**

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

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

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

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

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



### 3 Subject Property – Asset Description

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

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

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

Particulars	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date
Kensington A*	855,225	14	61,088	Completed	NA
Kensington B	707,319	14	50,523	Completed	NA
<b>Total</b>	<b>1,562,544</b>		<b>111,610</b>		

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

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

### 3.1 Key Asset Information

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

Particulars	Details
<b>Entity:</b>	Festus Properties Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Festus Properties Private Limited which is 100% owned and controlled by the Brookfield India REIT <sup>1</sup>
<b>Age of building based on the date of Occupancy Certificate:</b>	Kensington (A & B) – 13 years and 9 months
<b>Asset Type:</b>	Approved IT/IteS SEZ
<b>Sub-Market:</b>	Andheri & Powai
<b>Approved and Existing Usage:</b>	IT/IteS SEZ
<b>Land Area (acres):</b>	~8.96
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	1,562,544 sq. ft.
<b>Occupied Area:</b>	1,357,415 sq. ft.
<b>Committed Occupancy (%)<sup>3</sup></b>	86.87%
<b>Current Effective Rent (excluding parking)</b>	INR 104 per sq. ft. per month (exclusive of Office tenants only)
<b>Current Effective Rent (excluding parking)</b>	INR 104 per sq. ft. per month (inclusive of Office, ATM and Telecom tenants)
<b>Number of Tenants</b>	07 (office)

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

Note:

1. Refer company structure set out in (Annexure 2)
2. Total leasable area for Kensington A includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq Ft) and leased Towers (3 Sq Ft). The income for the said areas are included in the "Other Income".
3. Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed area
4. The Current Effective Rent is as per the Rent Roll dated 31 March 2023. Kensington has 1,721 car parks. We have assumed the car parks to maintain status quo. The parking charges are assumed to be applicable over and above the applicable lease rent





### **3.2 Property Inspection**

The Property comprising of one operational building with two wings Kensington A & Kensington B was physically inspected on 11 April 2023. There have not been any subsequent visits to the site.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room (LT), Pump Room, Lift Machine Rooms (LMR), Building management system (BMS) and DG sets. The building doesn't have HVAC installations and STP. It has DG led power back-up facility servicing the common areas only. Tenants have installed their own HVAC facilities and power back up.

The buildings in the property has typical/identical plan. Each building has lower basement, upper basement, stilt, two level podium and 3rd to 15th upper floors constructed on plot bearing and situated at C.T.S. No. 28/A and 28/B of village Powai and C.T.S. No. 11-A/1 of village Chandivali 'S' Ward, Mumbai.

The large parking requirement is catered by four parking levels contributing to 1,721 parking spaces. The Subject Property has two entry and two exit points providing access to D.P. Road and Internal Wide Road. The Subject Property has separate lift and lobby area on each floor of the building. Also, there is an arrangement of other utilities like LT room, LMRs, BMS, DG sets and pump rooms are available in basement/ lower ground floors and on terrace of each buildings. Kensington B is let out to a single tenant, namely Tata Consultancy Services (TCS) on a Bareshell basis, with all the major utilities like HVAC, power back up etc installed by the tenant.

At the time of property visit, Lobby upgradation work was in progress. The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance. No instances of any major logging or water accumulation was observed during the inspection. The utility areas also appeared well maintained, visually. Regular upgradation activities are undertaken within the campus.

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

It has been given to understand that a separate budget of INR 68 million has been provisioned to be spent by Q2 CY 2023, for asset upgradations. In addition to above, from Q3 CY 2023 onwards, 2.0% of rental income (including parking income) has been provisioned for maintenance of the premises.



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

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

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

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

- A. Title Report prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property
- B. Architect's Certificates (Dated: 31<sup>st</sup> March 2023) mentioning site areas and property areas
- C. Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the Subject Property
- D. Lease agreements and commercial clauses thereof for major tenants on a sample basis
- E. Masterplan/ Development plan applicable in the jurisdiction of the Subject Property
- F. Management representation regarding the following:
  - i. Major repairs undertaken and proposed in the Subject Property (*please refer Annexure 8*)
  - ii. Statement of Assets
  - iii. Revenue pendency, if any
  - iv. Options or rights of pre-emption and any other encumbrances concerning or affecting the property.



### 3.4 Tenant Profile

As of 31<sup>st</sup> March 2023, the Subject Property has 7 tenants (for office space) occupying space in the subject property, which include companies like TCS, Cognizant, Wipro, XPO, Baker Hughes, etc. The Subject Property's top 5 tenants account for ~91.56% of leased area and ~89.67% of gross rental income.

Rank	Top 5 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Tata Consultancy Services	881,898
2	Cognizant Technology Solutions India Pvt Ltd	123,280
3	Baker Hughes	98,225
4	XPO India Shared Services LLP	72,207
5	Wipro Ltd	67,275
<b>Total</b>		<b>1,242,885</b>

Source: Rent Roll as at 31 March 2023 and Client Information

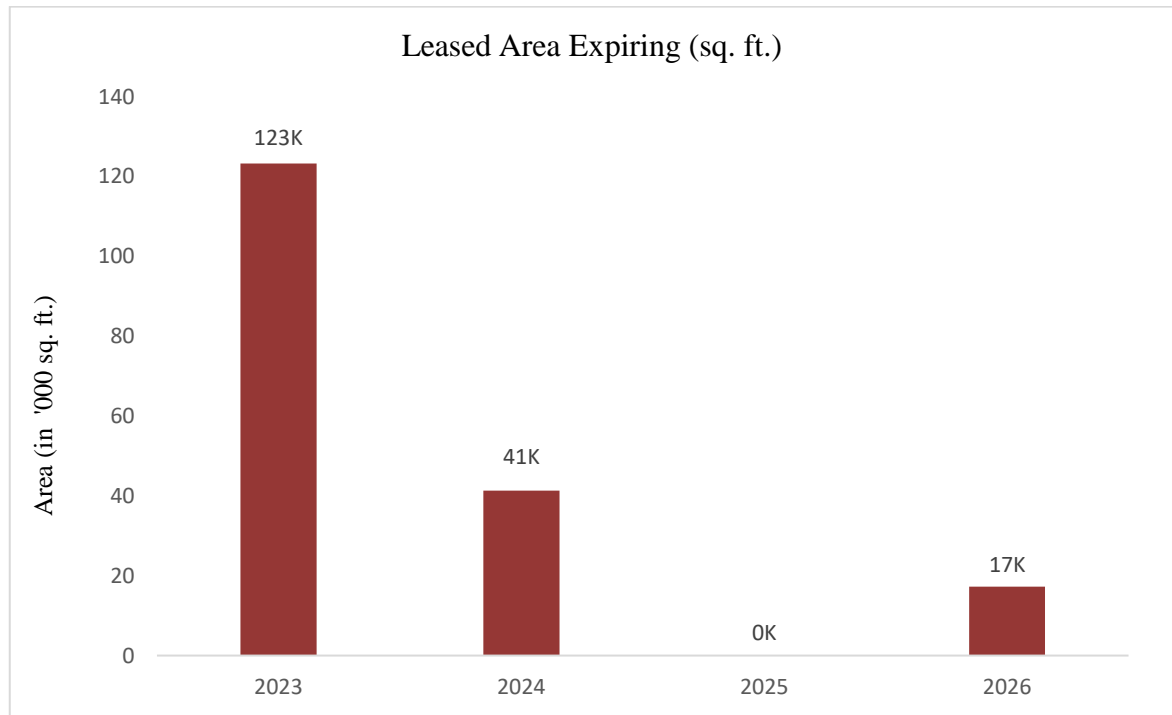
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Tata Consultancy Services	56%
2	Cognizant Technology Solutions India Pvt Ltd	12%
3	Baker Hughes	9%
4	XPO India Shared Services LLP	6%
5	Larsen and Toubro Limited	6%
<b>Total</b>		<b>90%</b>

Source: Rent Roll as at 31 March 2023 and Client Information



### 3.5 Tenant Profile

The Weighted Average Lease Expiry (WALE) of the property is 11.50\* years, with 9.08% of occupied area expiring during CY 2023 as shown in the chart below.



Source: Rent Roll as at 31 March 2023 and Client Information

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. Here, 2023 represents period starting from April 2023 to December 2023
- \* Basis the Head of Terms (HOT) provided by Brookfield, we note that Tata Consultancy Services (TCS) has renewed its lease and have structured as 2 phases for Kensington A & B for a total leasable area of 0.88 msf. As per the same, the phase 1 is 0.17 msf which expires in Dec 2037 and phase 2 is 0.71 msf expiring in March 2024. We observe, basis the current Head of Terms, the WALE for the subject property is 11.50 years.



## **4 Valuation Approach & Methodology**

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

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

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

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

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

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

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

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



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

1. Subject property is a completed building. The cash flows has been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The following steps were undertaken to arrive at the value. The projected future cash flows from the property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:
  - Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.
  - Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
  - Step 3:** Computing the monthly rental income projected as part of Step 1&2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).
3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the subject property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### **4.4 Information Sources:**

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

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 31<sup>st</sup> March 2023:

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

### Property Details

Property Details	Unit	Details
Total Property Leasable Area*	Sq. ft.	1,562,544
Area Leased	Sq. ft.	1,357,415
Committed Occupancy**	%	86.87%
Vacant Area	Sq. ft.	205,129
Vacancy	%	13.13%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	Sq. ft.	166,066
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases - Post First Year	Months	2
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	1,721
Estimated Leasing Period	# of quarters	4

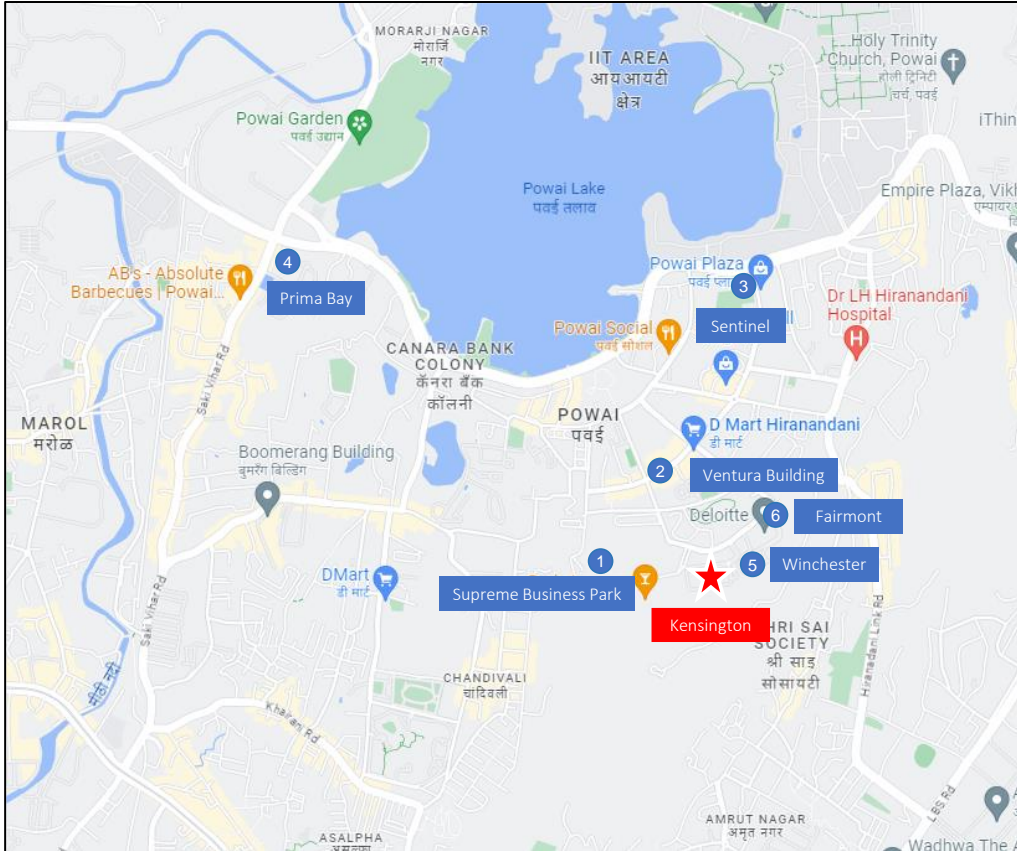
Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

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

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

- **Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of two months has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 – Q1 2023, the subject property's competitive REIT micro market has witnessed an average annual net absorption of approximately 0.63 million sq. ft.
  - Going forward, the Subject Property's competitive REIT micro market is expected to have an average annual demand of approximately 1.76 million sq. ft. per annum over Q2 CY 2023 - 2025.
  - Subject Property has minimal competition considering limited current/future SEZ developments in the micro market. Also, the vacancy level of the Subject Property stands at 13.1%.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease 0.17 million sq. ft. within four quarters from Jul 2023.
  - Further leasing of 0.17 million sq. ft. has been assumed after incorporating a 2.5% stabilised vacancy, which is a standard for Grade A office properties

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



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



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Base)	Per sq. ft. per month	INR 130.00
Market 4W Parking Rent*	Per bay per month	INR 5,000
Rental Growth Rate (for FY'25 - FY'26)	% p.a.	6.0%
Rental Growth Rate (from FY'27 onwards)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	5
Normal Market Escalation at end	# of years	1
Market Escalation at the end of Escalation period	%	5.00%
CAM/O&M Income for future leases	Per sq. ft. per month	INR 12.03

*Note: The Subject Property has 1,721 car parks, of which no car parks are paid. We have assumed the car parks to maintain status quo.*

- **Market rent - office:**

- During 2022 to Q1 2023, approximately 0.40 million sq. ft. was leased in the rental range of INR 115-130 per sq. ft. per month

### Lease Transactions FY' 2022-2023

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft)
Tata Consultancy Services	2023	174,580	118
Baker Hughes	2022	98,225	130
Ergo Technology & Services Pvt Ltd	2022	55,905	115
WIPRO Ltd	2022	67,275	121

*Source: Rent roll as at 31 March 2023 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view the strong demand in the competitive REIT micro-market coupled with limited available supply and only supply expected to be delivered in 2023 has been mostly pre-committed in the competitive REIT micro-market, it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 125 per sq. ft. per month.
- **Market rent growth rate:** Considering low vacancy levels in the competitive REIT micro-market, continued strong demand for good quality buildings with strong landlord profile and improvements in connectivity and upcoming infrastructure to further boost the demand for the micro-market, we expect annual growth in achievable market rentals to be in the range of 5-6% in the medium to long term.
- **Other income:** We have been provided with other income for ATM, Telecom Towers income. We have considered an annual growth of 5.0% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M revenues include sinking fund which is being passed through to the tenants. For FY 2024, the O&M income is considered to be INR 12.03 per sq.ft. per month which is derived on the basis of 15.85% mark-up of the O&M Cost, which is escalated for subsequent years. The O&M margin is INR 1.65 per sq. ft. per month for FY 2024 for the rollover/new leases as the contracts for existing tenancies are already locked in.



**Operating Cost Assumptions**

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
CAM/O&M Margin	Per sq. ft./month	INR 1.65
Payroll Cost	Per sq. ft./month	INR 2.33
Property Tax	Per sq. ft./month	INR 72.45
Cost Escalation	% p.a.	5.0%
Property Tax Escalation	% p.a.	5.0%
Payroll Cost Escalation	% p.a.	8.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Payroll Cost:** As provided by the client, we have considered budgeted payroll cost of INR 2.33 per sq. ft., per month. The escalation is effective 1 January of every year.
- **Property tax and Insurance Cost:** Property Tax has been considered at the same level as FY 21-22 and projected to increase at 5.0% per annum. Insurance cost forms a part of CAM/O&M cost. The escalation is effective 1 April of every year
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc



**Discount Rate & Capitalisation rate assumptions**

• **Capitalization Rate:**

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

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

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

Source: Secondary Market Research

Note:

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

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



- **Discount Rate**

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

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

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

## 6 Market Value

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

Component	Market Value as on	In Figures	In Words
Completed Building	31 March 2023	INR 24,288 Million	Indian Rupees Twenty-Four Billion Two Hundred and Eighty Eight Million Only

### Ready Reckoner Rate

Component	Rate (Survey No. 28/A)
Built up area	INR 25,828 per sq. ft.
Land area	INR 7,567 per sq. ft.

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

For reference, please refer Annexure 7

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

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

Prepared by



(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



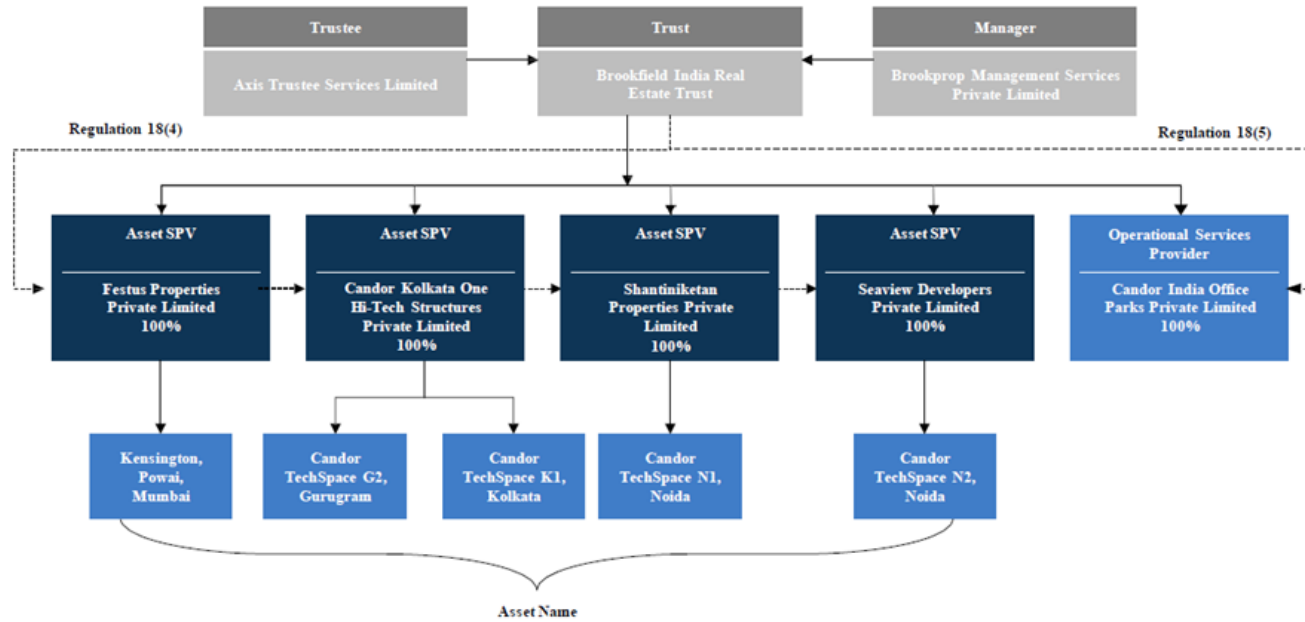
**Annexure 1: Cash Flows**

Particulars	Unit	01-Apr-23	01-Apr-24	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28	01-Apr-29	01-Apr-30	01-Apr-31	01-Apr-32	01-Apr-33
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	1,617.15	2,076.91	2,208.32	2,303.17	2,353.74	2,473.45	2,642.00	2,794.30	2,892.10	3,008.64	3,213.90
ATM Income	INR Million	1.94	1.94	1.94	1.94	1.94	1.94	1.94	1.94	1.94	1.94	1.94
O&M Income	INR Million	156.82	165.25	173.50	182.13	190.28	200.20	210.21	220.72	231.56	243.10	255.26
Other Income (Telecom)	INR Million	1.27	1.35	1.42	1.50	1.58	1.66	1.74	1.83	1.92	2.02	2.12
<b>Total Income</b>	INR Million	<b>1,777.19</b>	<b>2,245.45</b>	<b>2,385.19</b>	<b>2,488.73</b>	<b>2,547.54</b>	<b>2,677.25</b>	<b>2,855.89</b>	<b>3,018.79</b>	<b>3,127.51</b>	<b>3,255.70</b>	<b>3,473.22</b>
<b>Total Income from occupancy</b>	INR Million	<b>1,777.19</b>	<b>2,245.45</b>	<b>2,385.19</b>	<b>2,488.73</b>	<b>2,547.54</b>	<b>2,677.25</b>	<b>2,855.89</b>	<b>3,018.79</b>	<b>3,127.51</b>	<b>3,255.70</b>	<b>3,473.22</b>
<b>OPERATING COSTS</b>												
O&M cost (CAM Expenses) - excl Payroll Cost	INR Million	(180.74)	(189.78)	(199.27)	(209.23)	(219.69)	(230.68)	(242.21)	(254.32)	(267.04)	(280.39)	(294.41)
Payroll Cost	INR Million	(44.54)	(48.10)	(51.95)	(56.11)	(60.59)	(65.44)	(70.68)	(76.33)	(82.44)	(89.03)	(96.16)
Property Taxes	INR Million	(76.07)	(79.88)	(83.87)	(88.06)	(92.47)	(97.09)	(101.95)	(107.04)	(112.39)	(118.01)	(123.92)
<b>Total Operating Costs</b>	INR Million	<b>(301.35)</b>	<b>(317.76)</b>	<b>(335.09)</b>	<b>(353.40)</b>	<b>(372.75)</b>	<b>(393.21)</b>	<b>(414.83)</b>	<b>(437.69)</b>	<b>(461.87)</b>	<b>(487.44)</b>	<b>(514.48)</b>
<b>Net operating Income</b>	INR Million	<b>1,475.83</b>	<b>1,927.70</b>	<b>2,050.10</b>	<b>2,135.33</b>	<b>2,174.78</b>	<b>2,284.04</b>	<b>2,441.06</b>	<b>2,581.10</b>	<b>2,665.65</b>	<b>2,768.27</b>	<b>2,958.74</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	36,984.30	
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(369.84)	
Fit Out Income	INR Million	2.46	2.59	2.72	2.85	1.31	-	-	-	-	-	
<b>Total Net Income</b>	INR Million	<b>1,478.30</b>	<b>1,930.28</b>	<b>2,052.82</b>	<b>2,138.19</b>	<b>2,176.09</b>	<b>2,284.04</b>	<b>2,441.06</b>	<b>2,581.10</b>	<b>2,665.65</b>	<b>39,382.73</b>	
Maintenance Capital Expenditure	INR Million	(24.69)	(41.54)	(44.17)	(46.06)	(47.07)	(49.47)	(52.84)	(55.89)	(57.84)	(60.17)	
Brokerage Expenses	INR Million	(51.16)	(17.13)	-	(2.65)	(36.37)	(45.48)	(14.70)	-	(17.52)	(46.41)	
Capital Expenditure	INR Million	(68.37)	-	-	-	-	-	-	-	-	-	
<b>Net Cashflows</b>	INR Million	<b>1,334.08</b>	<b>1,871.61</b>	<b>2,008.65</b>	<b>2,089.47</b>	<b>2,092.65</b>	<b>2,189.09</b>	<b>2,373.52</b>	<b>2,525.21</b>	<b>2,590.28</b>	<b>39,276.14</b>	
Discount Rate		<b>11.75%</b>										
NPV as on 31-Mar-23 (INR Million)		<b>24,288</b>										
INR per sq. ft.		<b>15,544</b>										

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



**Annexure 2: Ownership Structure**



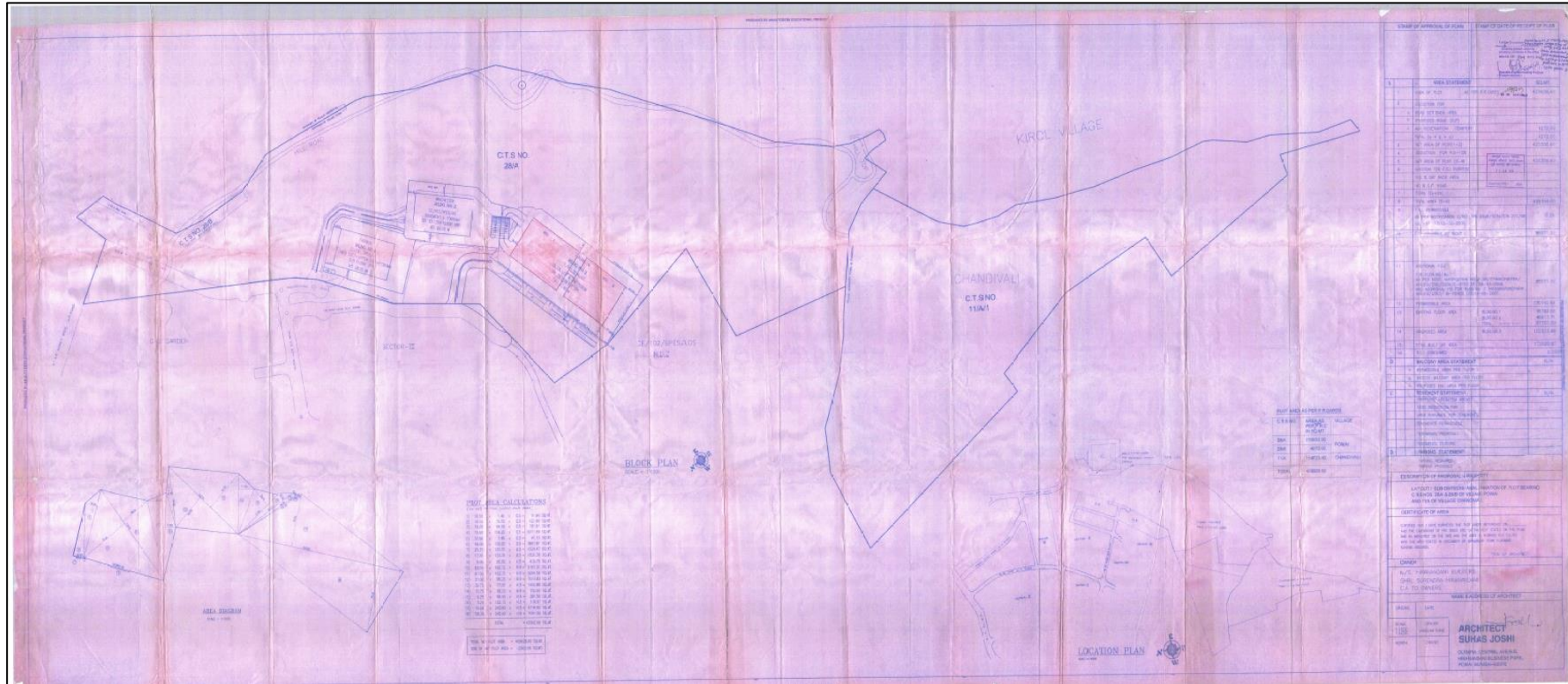
**Note:**

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



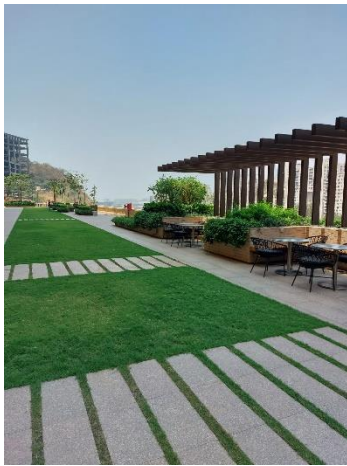


Annexure 3: Property Layout



Source: Client Information

**Annexure 4: Property Photographs**



**Annexure 5: Statement of Key assets**

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

Source: Client Information



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

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

**Approvals Received**

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





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

**Year**  
2023/2024

**Annual Statement of Rates**

**Selected District** Mumbai (suburb)

**Select Village** Powai - Kurla

**Search By**  Survey no  Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
<u>SurveyNo</u>	Income exceeding 114/541C-1-5 ha.	81450	243150	278010	303930	243150	square meters
<u>SurveyNo</u>	114/541C-Plot: Revenue of Navikas Division of Village Powai.	80600	233820	259580	285890	233820	square meters
<u>SurveyNo</u>	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	square meters
1 2							

**Survey No**

**Year**  
2023/2024

**Annual Statement of Rates**

**Selected District** Mumbai (suburb)

**Select Village** Powai - Kurla

**Search By**  Survey no  Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)
<u>SurveyNo</u>	Income exceeding 114/541C-1-5 ha.	81450	243150	278010	303930	243150	square meters
<u>SurveyNo</u>	114/541C-Plot: Revenue of Navikas Division of Village Powai.	80600	233820	259580	285890	233820	square meters
<u>SurveyNo</u>	114/541 -Plot: Developed income facing Adishankaracharya Marg.	112330	303020	348470	378770	303020	square meters
1 2							

**Survey No**



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

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



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



# VALUATION REPORT

## Candor TechSpace K1, Rajarhat, Kolkata

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

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

Submitted to: Brookfield India Real Estate Trust







## Disclaimer

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

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

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

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

**Executive Summary**

<b>Candor TechSpace IT/ITeS SEZ (K1), Rajarhat, Kolkata</b>	
<b>Valuation Date:</b>	31 <sup>st</sup> March 2023
<b>Site Visit Date:</b>	13 <sup>th</sup> April 2023
<b>Valuation Methodology:</b>	Discounted Cash Flow using Rental Reversion
<b>Valuation Purpose:</b>	Disclosure of valuation of assets forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014
<b>Location / Situation:</b>	<p>Candor Techspace K1 (herein after referred to as K1 and/ or Subject Property) is located at Plot No. 1, DH Street no. 316, New Town, Rajarhat, North 24 Parganas, West Bengal, one of the established office destinations of Kolkata.</p> <p>The Subject Property is accessible via two roads viz. Major Arterial Road on West and Street No. 0368 on North.</p> <p>It is well connected with other parts of the city through Major Arterial Road (East-West) on West and Street No. 0368 on North. It is located in a micro market which has seen a shift from the central business district of Kolkata. The Subject Property is well connected with other parts of the city through roads, and a metro rail project is also proposed.</p> <p>The Subject Property lies in close proximity to various office developments such as DLF IT Park 1, DLF IT Park 2, Synthesis, Ambuja Ecospace, and Mani Casadona, etc.</p>
<b>Description:</b>	<p>K1 constitutes Completed/ Operational (with OC received), Under construction along with future development buildings. The details of the same are:</p> <ul style="list-style-type: none"> <li>• Completed/Operational : Tower A1, A2, A3, B1, B2, B3, Buildings (12) C1*, C2*, C3*, G1, G2 &amp; G3</li> <li>• Under Construction (1) : Tower F</li> <li>• Future development (4) : Tower D1, D2, D3 &amp; Retail</li> </ul> <p>The completed buildings collectively admeasure 30,64,512 sq. ft.# of leasable area. Currently the committed occupancy in the completed building is 83.53%*.</p> <p>Tower F of the Subject Property is an under construction commercial development with a potential leasable area of 5,60,816 sq. ft. The same is expected to be completed by Q2 FY 2025–26. As on the date of Inspection, only the excavation work had started.</p> <p>Future Developments include IT/ITeS development having potential leasable area of 5,96,067 sq. ft. and a Mixed-use development having</p>



Tower A3 of Subject Property



Tower C3 of Subject Property



Tower G3 & C2 of Subject Property



Tower G3 of Subject Property



	<p>leasable area of 15,27,106 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed.</p> <p>The IT/ITeS development is expected to be completed by Q4 FY 2028–29 and mixed-use development is expected to be completed by Q1 FY 2029–30.</p> <p>The Subject Property offers interactive spaces and other amenities including cafeteria, creche, convenience store, gymnasium, medical wellness centre, electrical vehicle charging station etc.</p>	
<p><b>Total Area:</b></p>	<p>Total Land Area: 48.383 Acres                  Completed Leasable Area: 30.64,512 sq. ft.                  Under Construction Leasable Area: 5,60,816 sq. ft.                  Future Development Leasable Area: 21,23,173 sq. ft.                  Total Leasable Area: 57,48,501 sq. ft.</p>	

Source: Architect's Certificate (Dated: 5<sup>th</sup> May 2023), \*\*Rent Roll as at 31<sup>st</sup> March 2023, Lease Deeds / Leave and Licence Agreements and Client Information.

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

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

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

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

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

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 <sup>st</sup> March 2023	INR 22,763 Million	Indian Rupees Twenty-Two Billion Seven Hundred and Sixty-Three Million Only
Under construction* / Future Development	31 <sup>st</sup> March 2023	INR 4,250 Million	Indian Rupees Four Billion Two Hundred and Fifty Million Only

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

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

**VALUATION FOR MARCH 2022 AND MARCH 2021**

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>
Completed Building	31 March 2022	INR 21,608 Million
Under construction / Future Development	31 March 2022	INR 4,312 Million
Completed Building	31 March 2021	INR 21,242 Million
Under construction / Future Development	31 March 2021	INR 4,320 Million

*Note: Market Value of the Subject Property for March 2022 and March 2021 by previous Valuer (Shubhendu Saha)*

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

**To: Brookfield India Real Estate Trust**

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

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

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

## **A REPORT**

### **1 Instructions**

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

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

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

L. Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred as the “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate and Infrastructure



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

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

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

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

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

### **4 Purpose of Valuation**

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

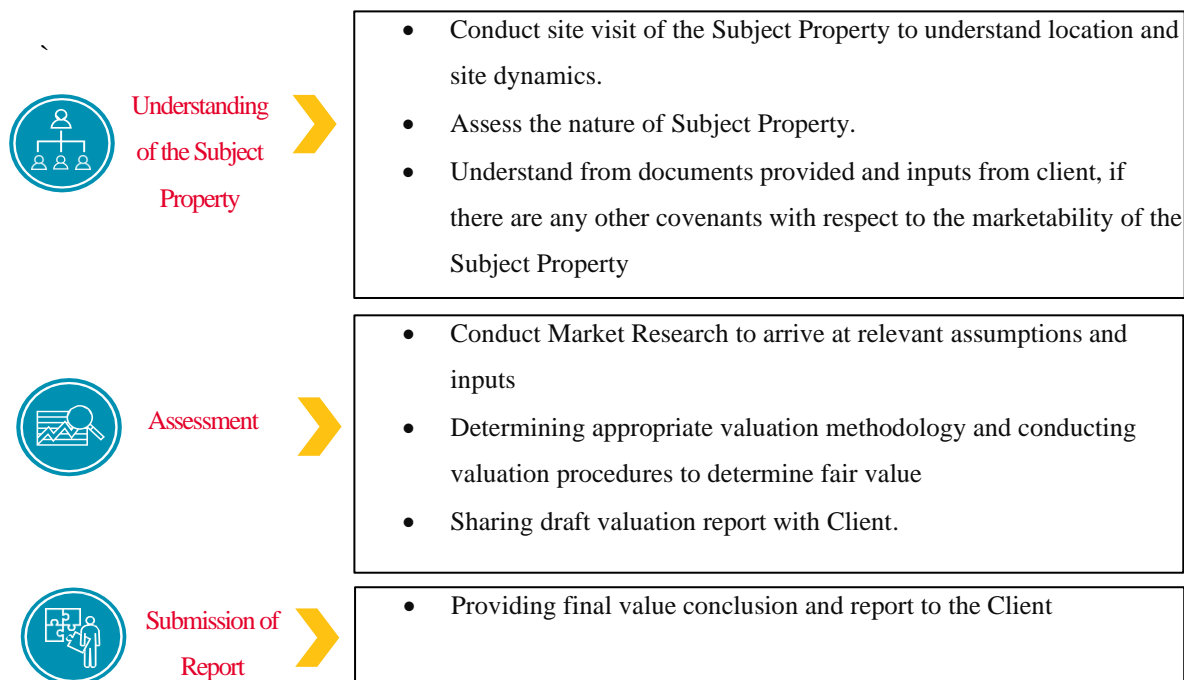
### **5 Basis of Valuation**

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

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



## 6 Valuation Approach & Methodology



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

### Discounted Cash Flow Method using Rental Reversion

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

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

## 7 Assumptions, Departures and Reservations

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



## 8 Inspection

The Subject Property was inspected on 13<sup>th</sup> April 2023 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## 9 General Comment

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

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

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

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

## 10 Confidentiality

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

## 11 Authority

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

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



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

## 12 Reliant Parties

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

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

## 13 Limitation of Liability

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

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

## 14 Disclosure and Publication

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



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

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

Both Parties represents, warrants and undertakes that:

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

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

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



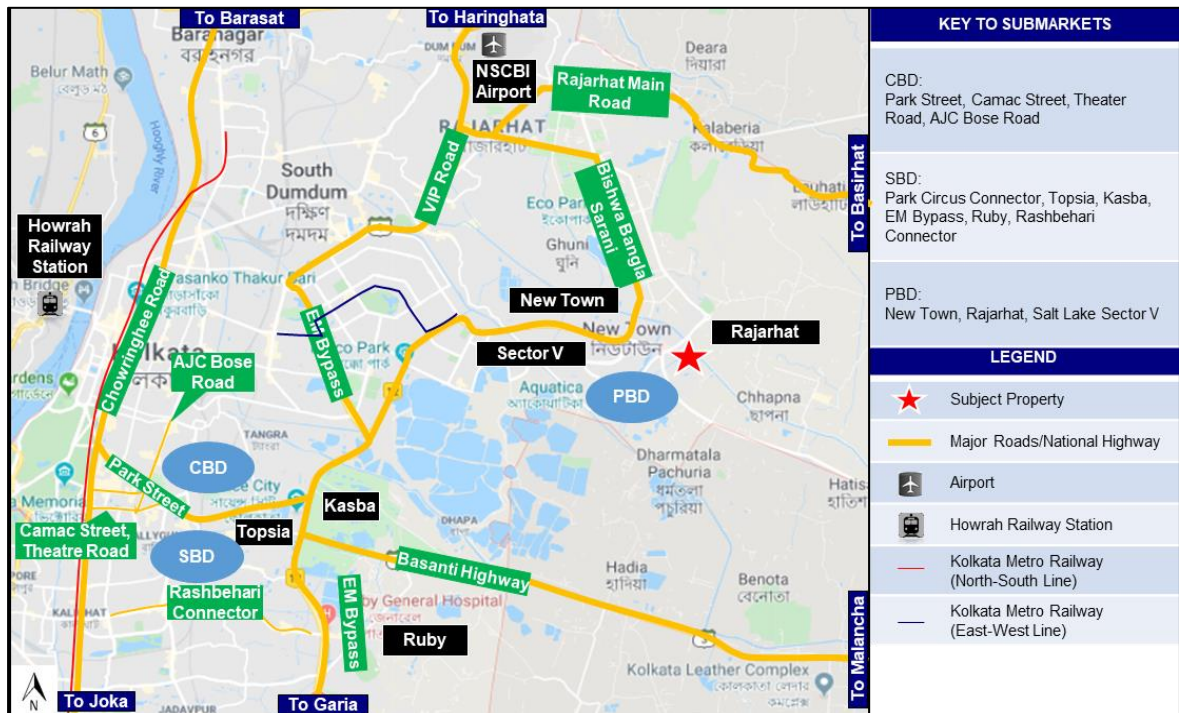
## **B Kolkata City Overview**

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

## 1 Kolkata City Overview

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

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



CBD – Central Business District | SBD – Suburban Business District | PBD – Peripheral Business District

Source: Cushman and Wakefield Research

(Map not to scale)



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

Particulars	Kolkata*	^Rajarhat (Competitive REIT Micro Market)
<b>Total Completed Stock till Q1 2023 (msf)</b>	18.76	9.26
<b>Current Occupied Stock till Q1 2023 (msf)</b>	14.02	7.28
<b>Current Vacancy Q1 2023 (%)</b>	25.26%	21.34%
<b>Avg. Annual Absorption - 2015 – Q1 2023 (msf)</b>	0.62	0.21
<b>Future Supply – Q2 2023 E–2025 E (msf)</b>	1.26	0.56
<b>Market Rent – Q1 2023 (INR psf / month)</b>	40	38
<b>CAGR for Market Rent (2015–Q1 2023)</b>	-0.3%	0.3%

Source: Cushman and Wakefield Research

Notes:

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

The Central Business District (CBD) of Kolkata office market constitutes Park Street, Camac Street, AJC Bose Road and Theatre Road. These micro markets are predominantly dotted with sub-investment grade structures and heritage buildings and have not witnessed any new supply for the last three years. The Secondary Business District (SBD) of Kolkata office market constitutes Park Circus Connector and Rashbehari Avenue Connector. SBD got developed with the saturation of developable area in CBD. These micro markets constitute a mix of investment and sub-investment grade structures. The Peripheral Business District (PBD) of Kolkata office market constitutes Rajarhat and Salt Lake. The micro markets evolved as the city limits grew and requirement for quality office spaces emerged. The micro markets are dotted with modern infrastructure and amenities. The micro markets primarily constitute investment grade structures. It also houses campus developments for TCS, Cognizant etc.

The residential zones of Kolkata can be defined as a) Central Zone, which is the traditional city hub of Kolkata and presently faces saturation in supply. The residents of this zone typically fall under the High-Income Group (HIG) category. b) North Zone – areas closer to the Central zone are well developed and cater primarily to middle and high income group population, the same dwindles as we move further North which is presently a hub for affordable housing





projects. c) East Zone is the strongest growth vector of the city. This includes Rajarhat (New Town), Salt Lake, Ultadanga, Kankurgachi, Lake Town, VIP Road, Maniktala and Narkeldanga. On the backdrop of significant greenfield residential developments, this area ranks highest in terms of the potential real estate activity and is billed as the future of Kolkata. The key growth driver for this region is its proximity to Netaji Subhash Chandra Bose International Airport. d) South Zone of the city comprises of diverse areas – premium ones like Alipore, Ballygunge, Rashbehari, Gariahat and Tollygunge and affordable housing areas like Garia and Narendrapur in South-East and Maheshtala, Behala and Joka in the South-West.

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

The major growth drivers for office market in Kolkata are:

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



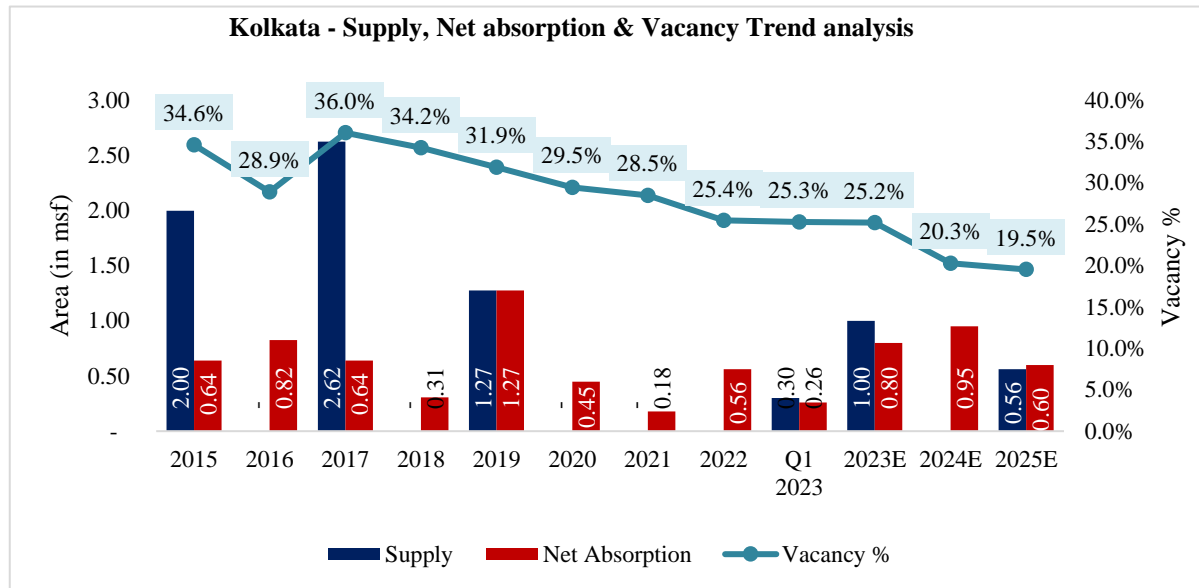


- **Availability of resources at a lower cost:** Although Kolkata is a metro city having all amenities as are found in the other metros of India, the living cost in Kolkata is comparatively less. Thus, the cost of hiring is also lower as compared to that of other metropolitan cities.
- **Being the only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



## 1.1 Supply, Absorption & Vacancy

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



Source: Cushman and Wakefield Research

Notes:

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

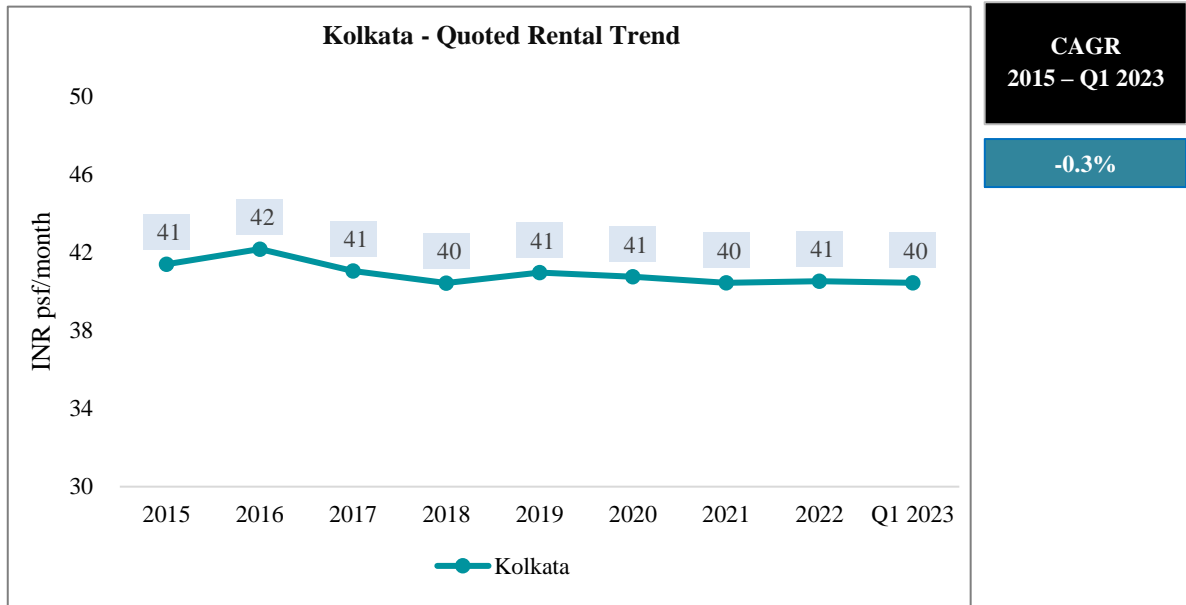
Kolkata witnessed a supply of 0.30 msf and a positive annual average net absorption of approximately of 0.26 msf in Q1 2023. Kolkata is the city of large space take ups by IT/ITeS occupiers (which is also evident by the built to suit supply / campus developments in the city) and has presence of occupiers like Wipro, Microsoft, Tech Mahindra, Cognizant, Genpact, Capgemini, ISI etc. Large developments by Brookfield and DLF are being planned in the City. This is expected to boost the real estate growth in the City.

The city-market vacancy stands at around 25.3% as on Q1 2023, however with continuous occupier interest in this market and limited future supply, it is expected that the vacancy shall reduce to nearly 19.5% by 2025E.



## 1.2 Rental Trend Analysis

The rental trend for Kolkata is as follows:



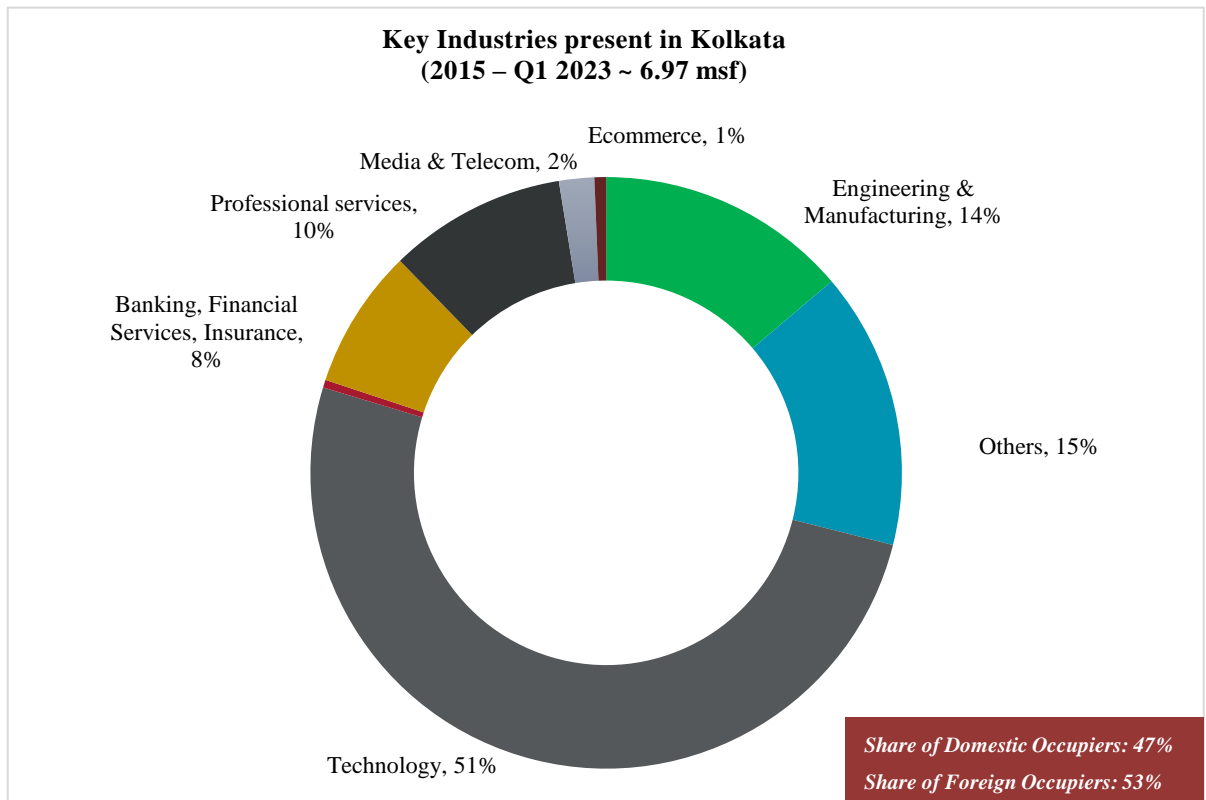
Source: Cushman and Wakefield Research

Notes:

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

There is no perceptible change in the rentals of Kolkata and most of its micro markets. Due to enhanced mobility from expansion of metro connectivity and the upcoming East-West Metro corridor, the demand for office spaces is expected to rise and may result in positive impact on the rentals.

### 1.3 Sectoral Demand Analysis – Kolkata (2015 – Q1 2023)



Source: Cushman and Wakefield Research

Notes:

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

Technology is the dominant sector in Kolkata which has generated a demand of 51%. The other prominent contributors to the demand are Engineering and Manufacturing (14%), Professional Services (10%) and BFSI (8%). The mix of domestic and foreign occupants in Kolkata is 47:53.



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

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

### **2.1 Overview**

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

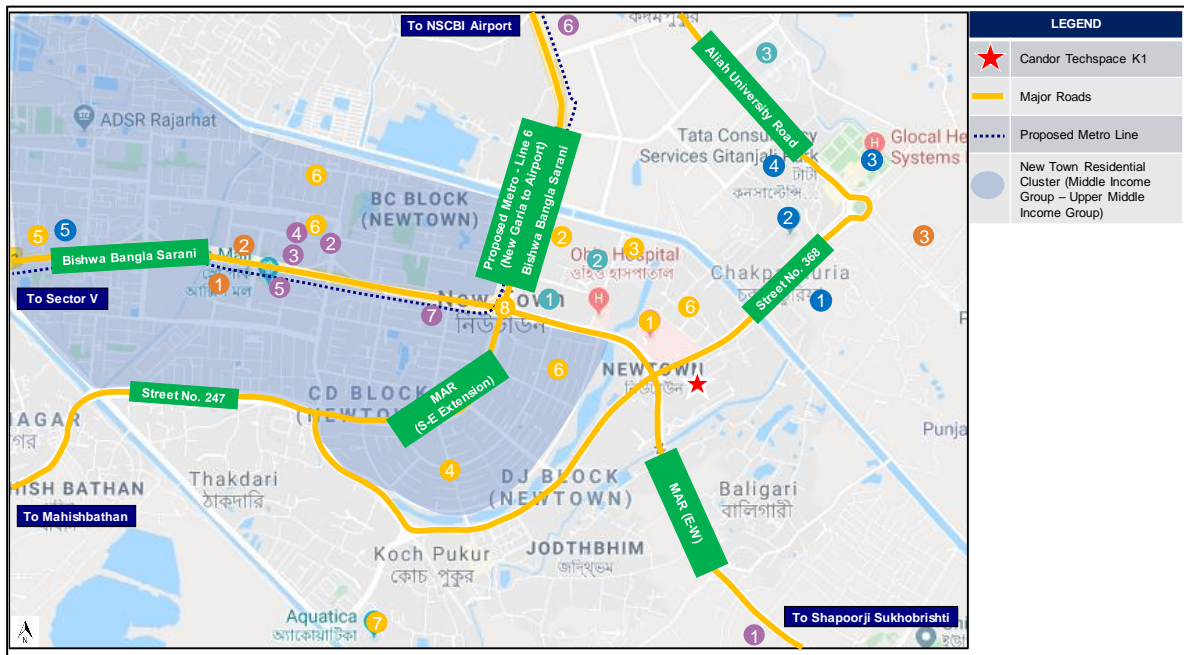
Rapid urbanization and growing demand for housing and office spaces in Kolkata led to the emergence of Rajarhat area in the Eastern outskirts of Kolkata to serve the dual purpose of:

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

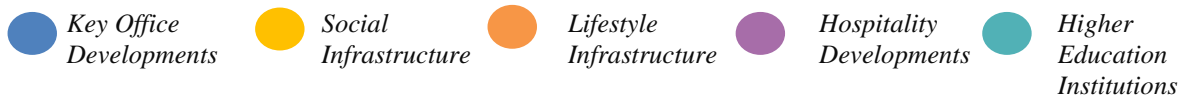
With continuous focus on improving the existing infrastructure, Rajarhat has emerged as a prominent office micro market. There has been a gradual drift of office space occupiers from CBD towards Salt Lake and Rajarhat. This competitive REIT micro market is a highly planned region of Kolkata which primarily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

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

## 2.2 Social and Physical Infrastructure



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



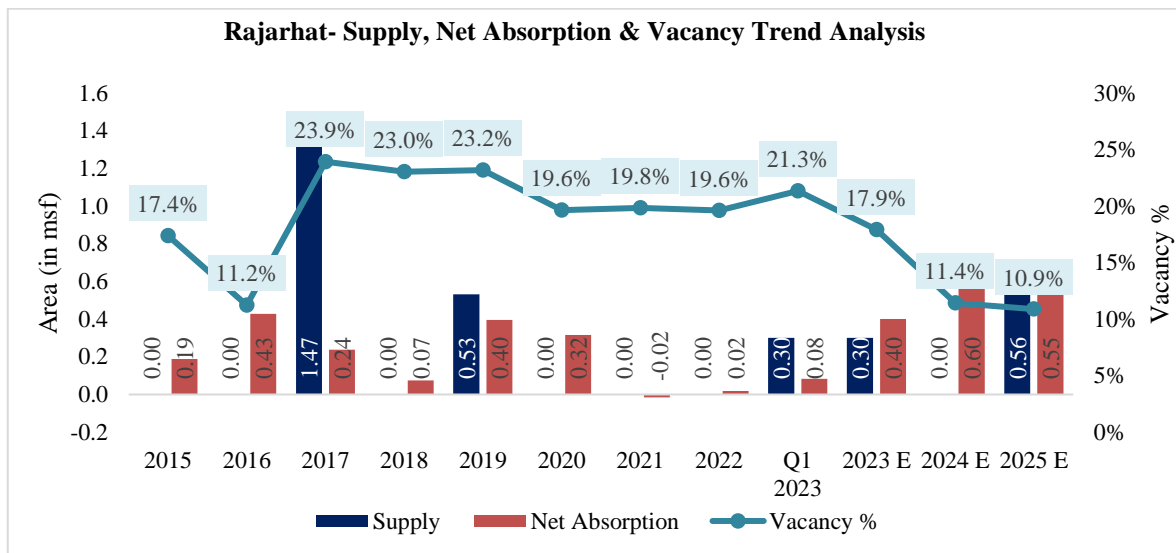
Key Office Developments	Social Infrastructure	Malls and High Street	Hospitality Developments	Higher Education Institutions
1. DLF 2 (1.0 km)	1. Tata Medical Centre (0.8 km)	1. Axis Mall (2.8 km)	1. Hotel Zone by The Park (2.0 km)	1. University of Engineering & Management (2.0 km)
2. TCS Geetanjali Park (1.8 km)	2. Biswa Bangla Convention Centre (2.1 km)	2. DLF Galleria (3.1 km)	2. Pride Plaza (3.2 km)	2. Presidency University (1.5 km)
3. Ambuja Eospace (2.5 km)	3. DPS New Town (1.8 km)	3. Centrus Mall (2.6 km)	3. Lemon Tree Premiere (3.2 km)	3. Aliah University (2.8 km)
4. Mani Casadona (2.9 km)	4. New Town School (2.0 km)		4. IBIS Hotel (3.2 km)	
5. DLF II (4.2 km)	5. Nazrul Tirtha (4.1 km)		5. Novotel (2.8 km)	
	6. Day Care Centers (<5 km)		6. The Westin (3.5 km)	
	7. Aquatica (3.0 km)		7. Hotel Fairfield by Marriott (2.0 km)	
	8. Biswa Bangla Gate (1.6 km)			



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

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

### 2.3 Supply, Absorption & Vacancy Analysis



Source: Cushman and Wakefield Research

Notes:

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

Regular upgradation in physical infrastructure has resulted in improvement of connectivity and expansion of city limits. Rajarhat commands the highest demand in Kolkata as indicated by 21.3% vacancy levels (unlike Kolkata market as whole, which is at 25.3%). The competitive REIT micro market had emerged to



accommodate the increasing demand by occupiers for quality space. Further, this micro market allowed the development formats which are conducive to accommodate large office space requirement of the occupiers.

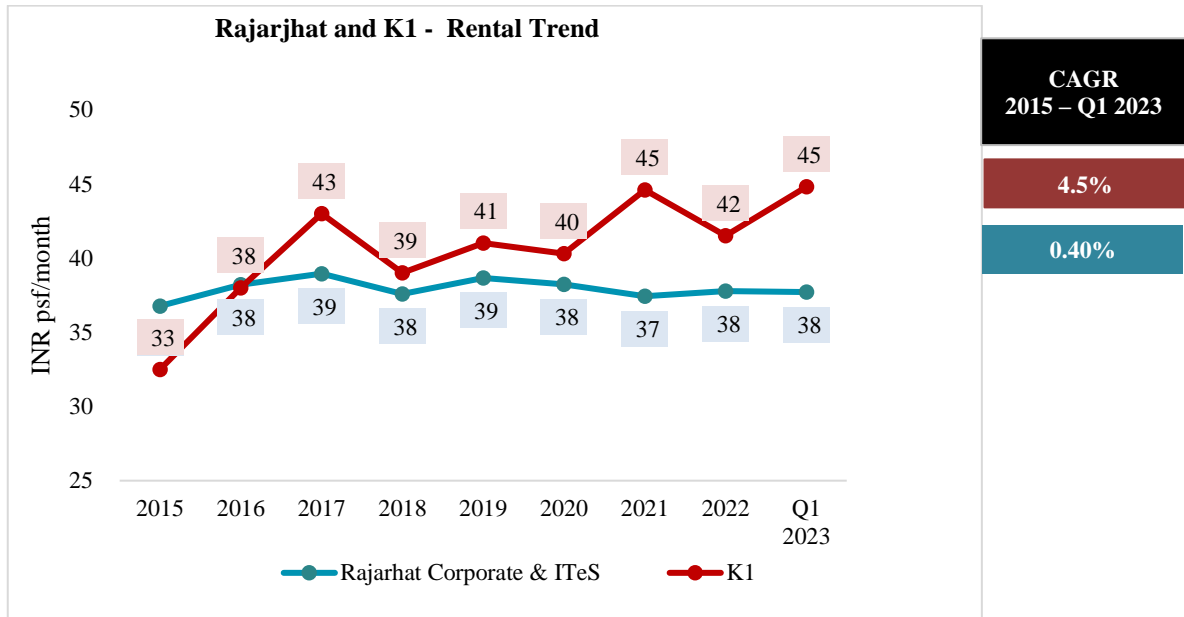
Brookfield is one of the three national players significantly active in Rajarhat and holds the highest leasable area in the micro market. The Subject Property currently owns about 32% of relevant investment grade office stock. Hence, with continuous demand from occupiers and the established location of the Competitive REIT micro market, we expect the vacancy levels to reach between 10 to 11% levels by year 2025E.





## 2.4 Rental Trend Analysis

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



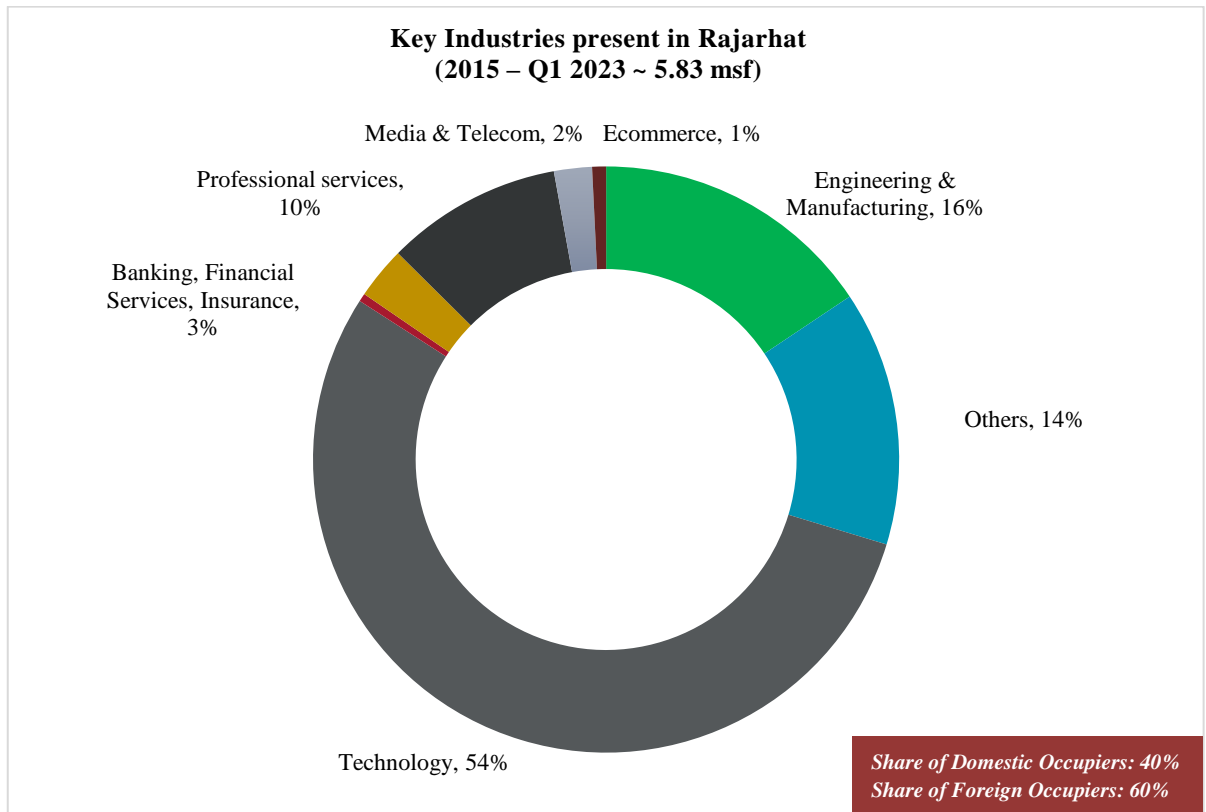
Source: Cushman and Wakefield Research

Note:

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

The graph above represents the rental growth rate of K1 versus entire cluster of the Competitive REIT Micro Market. The analysis suggests that K1 has witnessed a rental growth of 4.5%, as compared to a growth of 0.4% in the Competitive REIT Micro Market over the same period. The difference in rental growth also illustrates occupiers' willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.

## 2.5 Sectoral Demand Analysis – Rajarhat (2015 – Q1 2023)



Source: Cushman and Wakefield Research

Notes:

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

Kolkata has seen a major drift in the occupiers' preferences from CBD to Rajarhat micro market in the last decade. The major reason for such a change in occupier behaviour is due to quality supply available in the micro market and comparatively lower rentals in Rajarhat in comparison to CBD. The area is well planned and offers smooth road connectivity with the rest of the city. As of Q1 2023, approximately 54% of the occupants are from Technology sector followed by from Engineering and Manufacturing sector (16%) and from Professional services (10%). The mix of domestic and foreign occupants in Rajarhat is 40:60.



### 3 Market Outlook

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

The Competitive REIT Micro Market has remained stable. Since CY 2017 till Q1 2023 the Competitive REIT Micro Market witnessed range bound vacancy levels between ~19% to 24% as compared to Overall Kolkata ranging from 25% to 36% over the same period. As on Q1 2023, the net absorption and vacancy in Competitive REIT Micro Market is 0.08 msf and 21.3% respectively.

Further, with limited supply addition and continuous traction from occupiers, the dip in the vacancy level is expected to 11% by 2025E.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 38 per sq. ft./m. and it may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The Subject Property has witnessed a rental CAGR of 4.5%, as compared of 0.4% in the Competitive REIT Micro Market over the same period.

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

Work from home period has also significantly reduced and many organisations have started calling their workforce back to office. Considering the well-maintained infrastructure, key location, improved connectivity, increasing trend in the return to office, the annual growth rate of 5% in market rents over medium to long term appears achievable for the Subject Property.

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



## **C SUBJECT PROPERTY REPORT**





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

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

Source: Client Information

### 1.1 Encumbrances

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

### 1.2 Revenue Pendencies

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

### 1.3 Material Litigation

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

## 2 Location

### 2.1 General

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

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

The location map of the Subject Property is as follows:



Source: Cushman and Wakefield Research

(Map not to scale)

#### **Site Boundaries:**

The site boundaries the Subject Property are as follows:

- North: Access Road – Street no. 368
- East: Bajgola Canal & Developed Commercial Formats
- West: Access Road – Major Arterial Road and a few vacant Land Parcels



- South: Peripheral Drainage Canal and a Small Village

## **2.2 Accessibility**

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

- Approximately 01 km from Narkel Bagan
- Approximately 1.5 km from upcoming CBD 1 Metro Station
- Approximately 06 km from Sector V, Salt Lake
- Approximately 12 km from NSCB International Airport
- Approximately 14 km from Sovabazar–Sutanuti Metro Station
- Approximately 14 km from Sealdah Railway Station
- Approximately 17 km from Howrah Railway Station
- Approximately 18 km from Park Street (CBD of Kolkata)

## **2.3 Ground Conditions**

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

## **2.4 Environmental Considerations**

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

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

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

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





### 3 Subject Property - Asset Description

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

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

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

The under-construction building admeasures 5,60,816 sq. ft., which is expected to be ready by Q2 FY 2026. Only the excavation has started as on date of valuation.

**Future development buildings** – The future development constitutes IT/ITeS development having leasable area of 5,96,067 sq. ft. and mixed-use development having leasable area of 15,27,106 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed.

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

Particulars	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date
Tower A1	2,94,756	10	29,476	Completed	NA
Tower A2	2,92,646	10	29,265	Completed	NA
Tower A3	2,22,088	8	27,761	Completed	NA
Tower B1	2,67,750	8	33,469	Completed	NA
Tower B2	1,58,166	6	26,361	Completed	NA
Tower B3	1,82,962	8	22,870	Completed	NA
Tower C1	3,40,852	10	34,085	Completed	NA
Tower C2	2,89,568	8	36,196	Completed	NA
Tower C3	2,41,445	10	24,145	Completed	NA
Tower G1	2,72,659	7	38,951	Completed	NA
Tower G2	2,63,507	7	37,644	Completed	NA
Tower G3	2,38,113	7	34,016	Completed	NA
Tower F	5,60,816	-	-	Under Construction	Q2 FY 2025–26
IT/ITeS	5,96,067	-	-	Future Development	Q4 FY 2028–29
Mixed-use	15,27,106	-	-	Future Development	Q1 FY 2029–30
<b>Total/WA</b>	<b>57,48,501</b>		<b>31,410</b>		

Source: Architect's Certificate (Dated: 5<sup>th</sup> May 2023), \*\*Rent Roll as at 31<sup>st</sup> March 2023, Lease Deeds / Leave and Licence Agreements and Client Information.

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

^Leasing Period for future development is taken in phased manner. The leasing is assumed to start from Q3 FY 2026-27 in the IT/ITeS and Q2 FY 2029-30 in the Mixed-use development.

### 3.1 Key Asset Information

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

Particulars	Details
<b>Entity:</b>	Candor Kolkata One Hi-Tech Structures Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Kolkata One Hi-Tech Structures Private Limited, which is 100% owned and controlled by the Brookfield India REIT <sup>1</sup>
<b>Age of building based on the date of Occupancy Certificate:</b>	Tower A1 – 7 years and 1 month Tower B1 – 7 years and 1 month Tower C1 – 3 years and 7 months Tower A2 – 7 years and 1 month Tower B2 – 7 years and 1 months Tower C2 – 4 years and 1 month Tower A3 – 7 years and 1 month Tower B3 – 7 years and 1 month Tower C3 – 3 years and 10 months Tower G1 – 5 years and 7 months Tower G2 – 5 years and 7 months Tower G3 – 5 years and 7 months
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	New Town, Rajarhat
<b>Approved and Existing Usage:</b>	IT/ITeS
<b>Land Area (acres):</b>	~48.383
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	30,64,512 sq. ft.
<b>Occupied Area:</b>	25,59,783 sq. ft.
<b>Committed Occupancy (%)*:</b>	83.53%
<b>Current Effective Rent (excluding parking):</b>	INR 43 per sq. ft. per month (Office tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 43 per sq. ft. per month (Office and Retail and Telecom tenants only)
<b>Number of Tenants:</b>	13 (office)

Source: Architect's Certificate (5<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client information.

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

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

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



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

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Kolkata One Hi-Tech Structures Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Mixed-use – Q2 FY 2025–26
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	New Town, Rajarhat
<b>Approved Usage:</b>	Commercial
<b>Leasable Area:</b>	5,60,816 sq. ft.
<b>Status of construction:</b>	Under Construction. Only excavation has started as on date of valuation. (As per the information provided by Client)
<b>Approvals received and pending:</b>	As per the information provided by the Client, application for approval on building plan has been submitted however, the same has not been obtained as on the date of valuation

*Source: Architect's Certificate 5<sup>th</sup> May 2023, and Client Information*



**Future Development :**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Candor Kolkata One Hi-Tech Structures Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	IT/ITeS – Q4 FY 2028–29 Mixed-use – Q1 FY 2029–30
<b>Asset type:</b>	Approved IT/ITeS/ Retail
<b>Sub-market:</b>	New Town, Rajarhat
<b>Approved Usage:</b>	IT/ITeS/ Retail
<b>Leasable Area:</b>	21,23,173 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation



### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 12 operational buildings along with one under construction and two future development areas was physically inspected on 13 <sup>th</sup> April 2023.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational buildings</li> <li>b. Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>c. Area provisioned for Future development.</li> </ol>
<b>Key Observation:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li>• <b>Completed/ Operational Building:</b> <p>The operational buildings in the campus are Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3 collectively admeasuring 30,64,512 sq. ft. of leasable area.</p> <p>The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>a. Office: 12 Towers including Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3 having total leasable area of 30,64,512 sq. ft. These towers are occupied by multiple tenants. Major tenants in these blocks are Cognizant, TCS, Capgemini, Accenture and Genpact.</li> <li>b. Amenity Blocks: Part of Office Tower A2 and A3 having leasable area for the retail space of 51,350 sq. ft. Block A2 constitutes multi-cuisine food courts, in-house kitchens, bank branches and ATM, creche, pharmacy, medical centre and other retail outlets whereas Block A3 offers amenities such as gymnasium, swimming pool and table tennis at the ground floor.</li> </ol> </li> <li>• <b>Under-construction Development:</b> <ol style="list-style-type: none"> <li>a. Commercial cum retail development: Tower F of the Subject Property having leasable area of 5,60,816 sq. ft. The same is being developed through Joint Development Arrangement with a third party.</li> </ol> </li> <li>• <b>Future development:</b> <p>The Future development comprises of IT/ITeS and mixed use development collectively admeasuring 21,23,173 sq. ft. of leasable area. The details are:</p> <ol style="list-style-type: none"> <li>a. IT/ITeS development: Three Towers i.e., D1, D2, D3 having total leasable area of 5,96,067 sq. ft. are proposed to be developed as IT/ITeS development. The same is expected to be completed by Q4- FY 2028–29</li> </ol> </li> </ul>	

- b. Mixed Use development having total leasable area of 15,27,106 sq. ft. is expected to complete by Q1 FY 2029–30.

**Other Amenities**

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

**Awards & Certifications**

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

**Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 4,360 parking spaces (including 529 parking spaces in under construction development).

**Other Observations**

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

Source: Architect's Certificate (Dated: 5th May 2023), Rent Roll as at 31st March 2023,

Note:

- The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*
- The increase in leasable area is due to change in efficiency.*



### 3.3 Investigation and nature and source of information

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

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

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

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

Architect's Certificates (Dated: 5<sup>th</sup> May 2023) mentioning site areas and Subject Property areas.

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

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

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

Management representation regarding the following:

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

Statement of Assets

Revenue pendency, if any

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



### 3.4 Tenant Profile

As of 31<sup>st</sup> March 2023, the Subject Property's top 10 tenants occupying space in the Subject Property account for ~99% of leased area and ~97% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Cognizant	11,37,015
2	TCS	6,65,267
3	Capgemini	2,91,663
4	Accenture	2,53,111
5	Genpact	53,767
6	Martinet	39,755
7	Indo Rama Ventures	38,256
8	Concentrix (IBM Daksh)	29,946
9	Codeclouds IT	7,475
10	Seamless	5,421
<b>Total</b>		<b>25,21,676</b>

Source: Rent Roll as at 31 March 2023 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Cognizant	44%
2	TCS	27%
3	Accenture	10%
4	Capgemini	10%
5	Genpact	2%
6	Martinet	2%
7	Indo Rama Ventures	1%
8	Concentrix (IBM Daksh)	1%
9	Codeclouds IT	0.3%
10	SBI (Branch)	0.3%
<b>Total</b>		<b>97%</b>

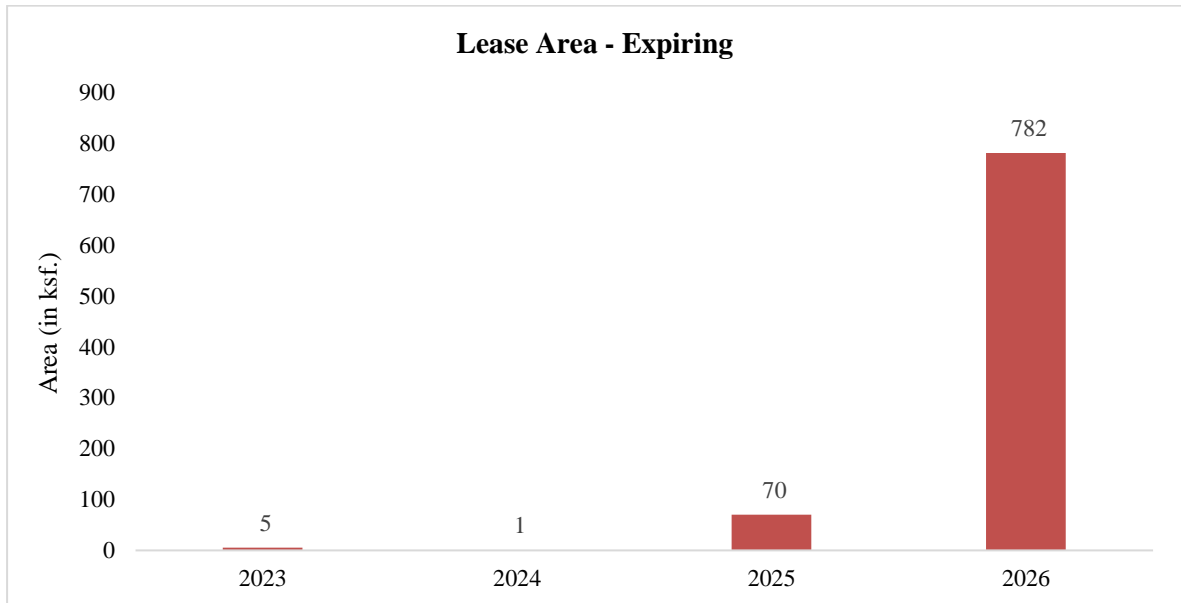
Source: Rent Roll as at 31 March 2023 and Client Information





### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is ~ 7.1 years, with ~33% of occupied area expiring between 2023 and 2026 as shown in the chart below (including office and retail and telecom tenants).



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

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. The time period for 2023 is considered from 1 April 2023 till 31 December 2023



## 4 Valuation Approach & Methodology

### 4.1 Asset-specific Review:

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

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

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

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

### 4.2 Micro-market Review:

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

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



### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the subject properties. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:
  - Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.
  - Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
  - Step 3:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).
3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Properties.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

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

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 31<sup>st</sup> March 2023:

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

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	30,64,512
Area Leased	sq. ft.	25,59,783
Committed Occupancy*	%	83.53%
Vacant Area**	sq. ft.	5,04,729
Vacancy	%	16.47%
Stabilized Vacancy	%	5.0%
Further Leasing <sup>#</sup>	sq. ft.	3,51,504
Existing Lease Rollovers	%	100%
Rent Free Period – Existing Leases (First Year)	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	3,831
Estimated Leasing Period	# of quarters	10

Source: Architect's Certificate (Dated: 5th May 2023)

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

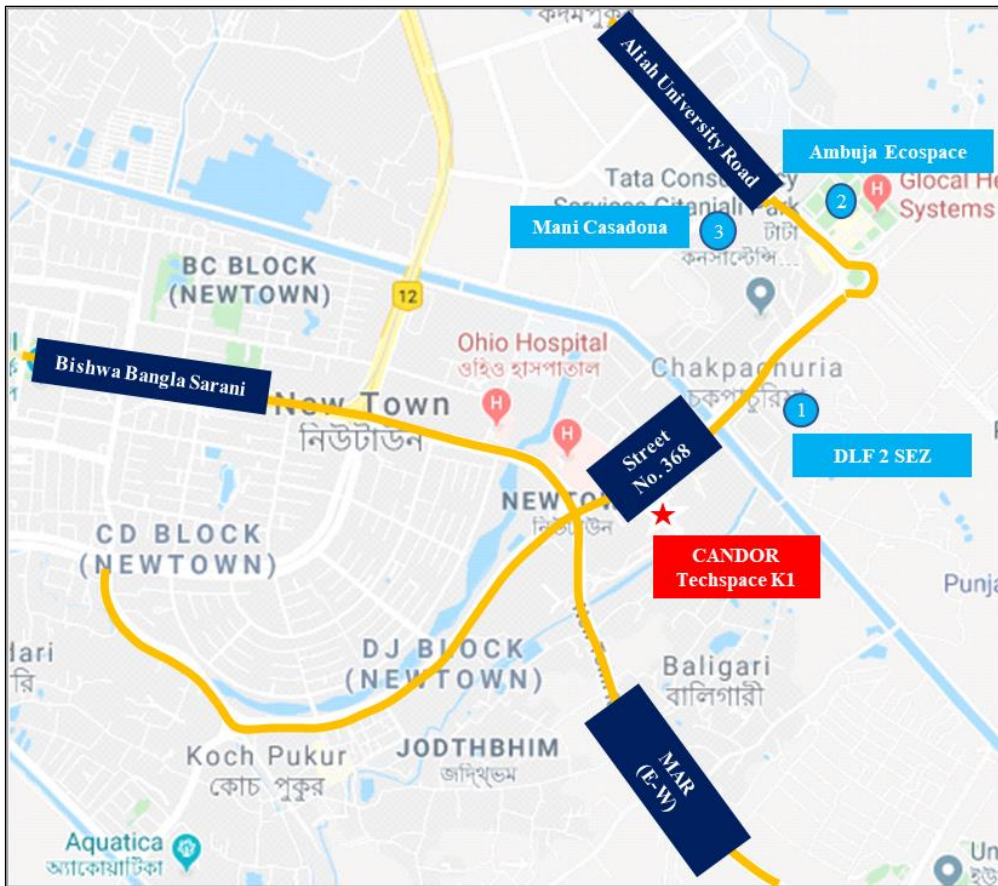
\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent) / Completed Leasable area.

\*\*Vacant Area includes the area of captive use of ~2700 sq. ft. which has not been considered for Further Leasing.

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

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015–Q1 2023, the Rajarhat micro market has witnessed an average annual net absorption of approximately 0.21 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.53 msf per annum for Q2 2023–2025E.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.35 msf within 10 quarters from April 2023, after incorporating a 5% stabilised vacancy which is a standard for Grade A office properties in the market.

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



Source: Cushman and Wakefield Research

Note: Blue boxes signify existing supply



**Revenue Assumptions**

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 41.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 59.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 42.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 60.00
Other Income	Per sq. ft. per month	INR 0.32
Rental Growth Rate (for Q3 & Q4 FY'24)	% p.a.	2.5%
Rental Growth Rate (from FY'25 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – Q3 FY 24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 5.74

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

**• Market rent – office:**

- Achievable market rent includes parking charges of INR 1 per sq. ft. per month (considering the parking rent of INR 3,000 per slot per month).
- For FY' 2020–23, approximately 0.78 msf of office was leased in the rental range of INR 37–49 per sq. ft. per month (including parking).

**Lease Transactions FY' 2022–23**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft/ month)
<b>Capgemini</b>	2023	61,719	42
<b>Genpact</b>	2023	35,605	48

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

- Considering the location, accessibility, quality, size of the building, and keeping in view the future supply, which is very limited, it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 42 per sq. ft. per month (including parking charges).
- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro market, we expect annual growth in achievable market rentals to be around 5% in the medium to long term.

The occupiers have started evaluating their return to office strategy. With the return to office, we expect the demand to increase over Q3 and Q4. Hence, we have considered a growth rate of 2.5% for Q3 & Q4 of FY'24. This is expected to be followed by constant growth rate of 5.0% from FY'25 and onwards.



- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'23 ranges from INR 5–9 per sq. ft. per month. Further, the total CIOP expense for the period between 1<sup>st</sup> April 2023–31<sup>st</sup> March 2024 for K1 is considered to be INR 59.93 Million and has been escalated at 8% annually for the subsequent years. Thus, the tenants are charged INR 3.31–7.74 per sq. ft. per month, for the CIOP expense for the period, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency** The re leasing in the property have happened at an efficiency of 75%. In order to normalise this and to bring the same in line with the market we have assumed an efficiency of 75% for all further leasing where efficiency is more than 75%.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 6.76
Property Tax	Per sq. ft./month	INR 0.26
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

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





## Discount Rate & Capitalisation rate assumptions

- **Capitalization Rate:**

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

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

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

Source: Secondary Market Research

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

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



- **Discount Rate**

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

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

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



**Under Construction and Future Development**

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

**Subject Property Details**

Subject Property Details	Unit	IT/ITeS	Mixed-use	
			Under construction (Tower F)	Future Development
Total Leasable Area	Sq. ft.	5,96,067	5,60,816	15,27,106
Stabilized Vacancy	%	5%	5%	5%
Existing Lease Rollovers	%	100%	100%	100%
Rent Free Period – New Leases	Months	4	4	4
Estimated Leasing Period	# of quarters	12	12	15
Total parking Slots	#	-	529	-

Source : Architect’s Certificate (Dated: 5<sup>th</sup> May 2023), Rent Roll as at 31<sup>st</sup> March 2023,

**Construction Related Assumptions**

Construction Related Assumptions	Units	IT/ITeS	Mixed-use	
			Under construction (Tower F)	Future Development
Start Date of Construction	Month/Year	Oct-23	Oct-22	Jan-26
End Date of Construction	Month/Year	Mar-29	Sep-25	Jun-29
Total Construction Cost	INR Million	2,817	2,553	7,826
Construction Cost Incurred till Date	INR Million	-	230	-
Construction Cost to be Incurred	INR Million	2,817	2,323	7,826

**Notes:**

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



### Revenue Assumptions

Revenue Assumptions	Unit	Office	Mixed use Commercial	Mixed Use Retail
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 41.00	-	-
Achievable Market Rent – Mixed Use-Commercial (Base)	Per sq. ft. per month	-	INR 45.20	-
Achievable Market Rent – Mixed Use-Retail (Base)	Per sq. ft. per month	-	-	INR 60.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 42.00	-	-
Achievable Market Rent – Mixed Use-Commercial (including Parking)	Per sq. ft. per month	-	INR 46.20	-
Achievable Market Rent – Mixed Use-Retail (including Parking)	Per sq. ft. per month	-	-	INR 61.00
Rental Growth Rate (for Q3 & Q4 FY'24)	% p.a.	2.5%	2.5%	2.5%
Rental Growth Rate (from FY'25 onwards)	% p.a.	5.00%	5.00%	5.00%
O&M Markup Growth Rate – Q3 FY 24 onwards	% p.a.	4%	4%	4%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5%	5%	5%
Normal Market Lease Tenure	# of years	9	9	9
Normal Market Escalation at end	# of years	3	3	3
Market Escalation at the end of Escalation period	%	15.00%	15.00%	15.00%
O&M Markup for future leases	Per sq. ft. per month	INR 5.74	INR 5.74	INR 5.74

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

### Capitalization Rate and Discount Rate

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

## 6 Market Value

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

Component	Market Value as on	In Figures	In Words
Completed Buildings	31 <sup>st</sup> March 2023	INR 22,763 Million	Indian Rupees Twenty Two Billion Seven Hundred and Sixty-Three Million Only
Under construction / Future Developments	31 <sup>st</sup> March 2023	INR 4,250 Million	Indian Rupees Four Billion Two Hundred and Fifty Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 4,734 per sq. ft.
Land area	INR 6,575 per sq. ft.

For reference, please refer Annexure 7.

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

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

Prepared by



(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



**Annexure 1: Cash Flows**

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

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	1,404.5	1,529.4	1,625.8	1,696.5	1,772.5	1,844.1	1,942.0	2,036.4	2,101.3	2,211.2	2,332.0
O&M Markup	INR Million	257.0	298.3	327.5	346.2	362.1	376.3	389.9	403.9	418.2	432.9	448.1
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	12.2	12.9	13.5	14.2	14.9	15.6	16.4	17.2	18.1	19.0	19.9
<b>Total Income</b>	<b>INR Million</b>	<b>1,673.8</b>	<b>1,840.6</b>	<b>1,966.8</b>	<b>2,056.8</b>	<b>2,149.5</b>	<b>2,236.0</b>	<b>2,348.3</b>	<b>2,457.5</b>	<b>2,537.6</b>	<b>2,663.1</b>	<b>2,800.0</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(25.2)	(13.9)	(2.4)	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(10.2)	(10.7)	(11.2)	(11.8)	(12.4)	(13.0)	(13.6)	(14.3)	(15.0)	(15.8)	(16.6)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(35.4)</b>	<b>(24.6)</b>	<b>(13.6)</b>	<b>(11.8)</b>	<b>(12.4)</b>	<b>(13.0)</b>	<b>(13.6)</b>	<b>(14.3)</b>	<b>(15.0)</b>	<b>(15.8)</b>	<b>(16.6)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,638.3</b>	<b>1,816.0</b>	<b>1,953.2</b>	<b>2,045.0</b>	<b>2,137.1</b>	<b>2,223.0</b>	<b>2,334.6</b>	<b>2,443.2</b>	<b>2,522.6</b>	<b>2,647.3</b>	<b>2,783.5</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	32,746.7	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(327.5)	-
Fit Out Income	INR Million	3.7	3.9	4.3	4.3	4.5	2.8	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>1,642.0</b>	<b>1,819.9</b>	<b>1,957.4</b>	<b>2,049.3</b>	<b>2,141.7</b>	<b>2,225.8</b>	<b>2,334.6</b>	<b>2,443.2</b>	<b>2,522.6</b>	<b>35,066.5</b>	<b>-</b>
Maintenance Capex	INR Million	(28.1)	(30.6)	(32.5)	(33.9)	(35.5)	(36.9)	(38.8)	(40.7)	(42.0)	(44.2)	-
Brokerage Expenses	INR Million	(9.5)	(12.9)	(22.8)	(40.6)	(27.4)	(1.1)	(0.3)	(0.2)	-	(7.7)	-
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,604.4</b>	<b>1,776.4</b>	<b>1,902.1</b>	<b>1,974.8</b>	<b>2,078.8</b>	<b>2,187.9</b>	<b>2,295.5</b>	<b>2,402.3</b>	<b>2,480.6</b>	<b>35,014.6</b>	<b>-</b>

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



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

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	5.04	102.28	235.93	367.34	418.89	439.02	458.89	481.73	504.88
O&M Markup	INR Million	-	-	4.96	29.43	57.26	81.88	87.30	91.19	95.26	99.51	103.95
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	10.00	131.70	293.19	449.21	506.20	530.22	554.15	581.24	608.83
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	7.82	98.54	218.35	333.86	375.64	393.49	411.31	431.43	451.94
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	(10.32)	(32.43)	(15.77)	(1.21)	-	-	-	-	-
Property Taxes	INR Million	-	-	(0.50)	(2.02)	(2.09)	(2.12)	(2.22)	(2.34)	(2.45)	(2.58)	(2.70)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	(10.83)	(34.44)	(17.87)	(3.32)	(2.22)	(2.34)	(2.45)	(2.58)	(2.70)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	(3.01)	64.09	200.48	330.54	373.41	391.15	408.86	428.85	449.24
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	5,285.15	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(52.85)	-
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	-	-	(3.01)	64.09	200.48	330.54	373.41	391.15	408.86	5,661.15	449.24
GIL upfront payment	INR Million	203.39	-	-	-	-	-	-	-	-	-	-
Maintenance Capex	INR Million	-	-	(0.07)	(1.47)	(3.40)	(5.29)	(6.03)	(6.32)	(6.61)	(6.94)	-
Brokerage Expenses	INR Million	-	-	(9.68)	(22.59)	(23.13)	(10.73)	-	-	-	-	-
<b>Total Construction Costs (including Approval cost)</b>	<b>INR Million</b>	(775.98)	(996.74)	(550.13)	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(572.59)	(996.74)	(562.89)	40.03	173.96	314.51	367.38	384.83	402.25	5,654.21	-

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





**Future Developments: IT/ITeS**

Particulars	Unit	31-Mar										
		24	25	26	27	28	29	30	31	32	33	34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	4.70	86.07	133.85	250.33	375.97	398.37	421.27	448.80
O&M Markup	INR Million	-	-	-	5.20	26.62	40.88	73.63	96.93	101.25	105.77	110.49
<b>Total Income</b>	<b>INR Million</b>	-	-	-	9.90	112.69	174.73	323.96	472.90	499.62	527.04	559.29
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	9.90	112.69	174.73	323.96	472.90	499.62	527.04	559.29
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	(5.81)	(1.22)	(12.82)	(13.46)	-	-	-	-
Property Taxes	INR Million	-	-	-	(0.61)	(1.26)	(2.74)	(4.45)	(4.67)	(4.90)	(5.15)	(5.37)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	-	(6.43)	(2.48)	(15.56)	(17.90)	(4.67)	(4.90)	(5.15)	(5.37)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	-	3.48	110.21	159.17	306.05	468.22	494.72	521.89	553.92
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	6,516.73	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(65.17)	-
<b>Total Net Income</b>	<b>INR Million</b>	-	-	-	3.48	110.21	159.17	306.05	468.22	494.72	6,973.46	553.92
Maintenance Capex	INR Million	-	-	-	(0.09)	(1.72)	(2.68)	(5.01)	(7.52)	(7.97)	(8.43)	-
Brokerage Expenses	INR Million	-	-	-	(9.41)	(9.88)	(15.56)	(21.78)	(5.72)	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	(174.84)	(349.69)	(579.32)	(666.26)	(676.65)	(370.48)	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(174.84)	(349.69)	(579.32)	(672.28)	(578.05)	(229.54)	279.27	454.99	486.75	6,965.03	-

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



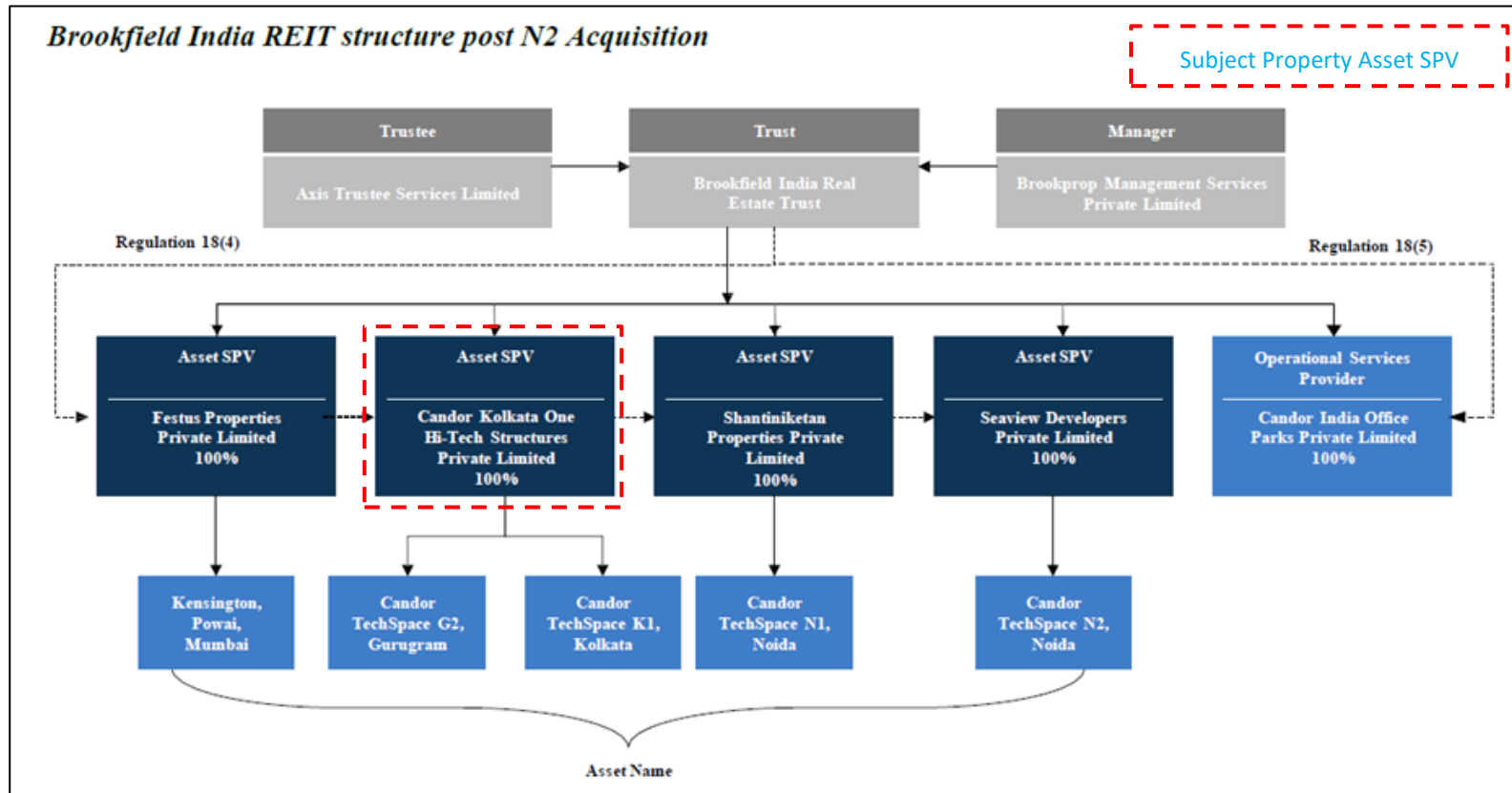
**Future Development: Mixed Use (Retail)**

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	-	-	-	9.68	388.41	1,027.44	1,448.82	1,579.95
O&M Markup	INR Million	-	-	-	-	-	-	10.12	95.73	203.76	270.97	283.07
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	-	-	19.80	484.14	1,231.20	1,719.79	1,863.02
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	-	-	19.80	484.14	1,231.20	1,719.79	1,863.02
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	-	-	(108.94)	(95.56)	(27.36)	-	-
Property Taxes	INR Million	-	-	-	-	-	-	(4.07)	(5.66)	(5.94)	(6.24)	(6.55)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	-	-	-	-	(113.01)	(101.22)	(33.31)	(6.24)	(6.55)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	-	-	-	-	(93.21)	382.92	1,197.89	1,713.55	1,856.47
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	21,840.83	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(218.41)	-
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	-	-	-	-	-	-	(93.21)	382.92	1,197.89	23,335.97	1,856.47
Maintenance Capex	INR Million	-	-	-	-	-	-	(0.19)	(7.77)	(20.55)	(28.98)	-
Brokerage Expenses	INR Million	-	-	-	-	-	-	(32.42)	(102.11)	(107.21)	(18.76)	-
<b>Total Construction Costs</b>	<b>INR Million</b>	-	-	(559.03)	(2,236.12)	(2,236.12)	(2,236.12)	(559.03)	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	-	-	(559.03)	(2,236.12)	(2,236.12)	(2,236.12)	(684.85)	273.05	1,070.13	23,288.24	-
Discount Rate- Under construction / Future Development	13.00%											
NPV as on 31-Mar-23 (INR Million)	2,817											

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



Annexure 2: Ownership Structure

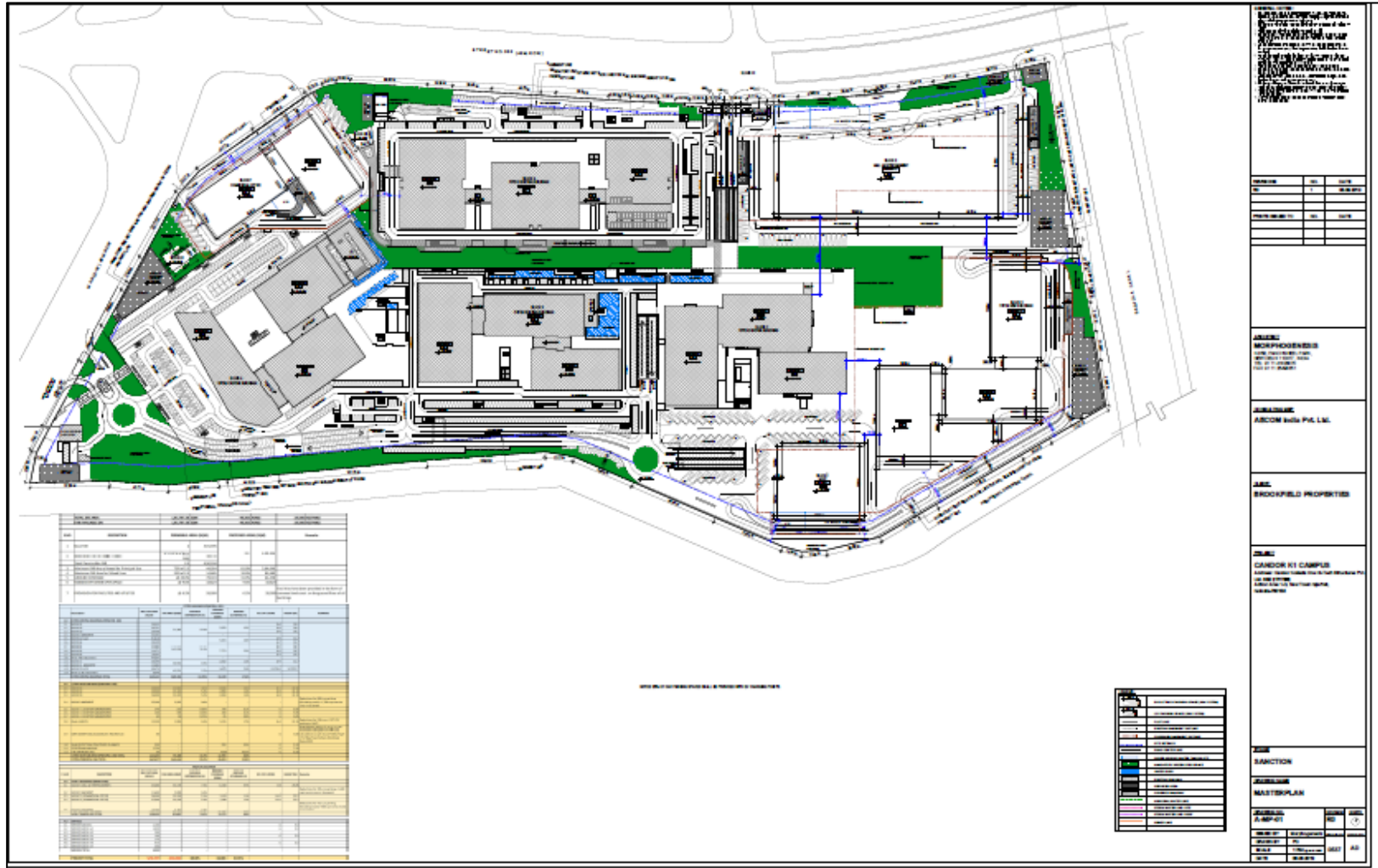


**Note:**

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



Annexure 3: Site Layout (Complete & Future Development)



Source: As provided by client

Annexure 4: Subject Property Photographs



View of Tower A1



View of Tower A3



View of Tower C1



View of Tower C3



View of Tower G1



View of Tower G3

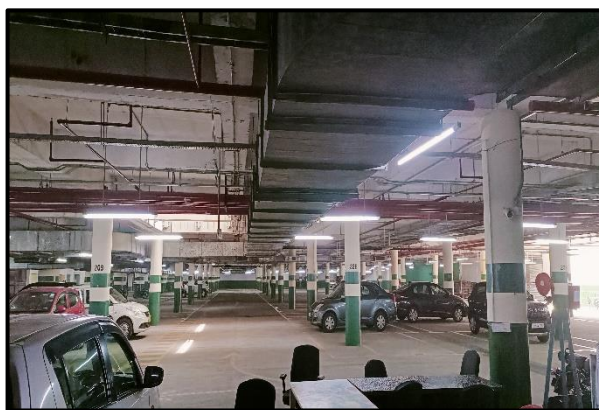




C Block of the Subject Property



View of Electrical room



View of Parking Area



View of Generator Room



**Annexure 5: Statement of Key assets**

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

Source: Client



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

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

**Approvals Received**

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

**Approvals Pending**

Approvals for Under Construction and Future Development Area



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

Ready Reckoner Rate

Directorate of Registration and Stamp Revenue  
Finance (Revenue) Department, Government of West Bengal

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Market Value of Apartment

District: North 24 Parganas Thana: Rajarhat (\*) marked items are mandatory  
Local Body: Gram Panchayat Plus Mouza: Hideo (Block - D H)  
Road: Road Zone:  
Premises No.: Premises No. Ward No.:  
Jurisdiction of: A.D.S.R. RAJARHAT Gram Panchayat Plus: RAJARHAT BISHNUPUR  
Plot No: RS 00001 / Bata No. Project Name: Not Available  
Apartment Type: Flat/Apartment Area in Sq Feet: Covered Area: Super Built-up Area: 1  
Use of Flat: Office Floor Type: Tiles  
Flat located in which floor: 0 Flat No.:  
Age of the Flat (in year): 5 Litigated Property?: No  
Is property on Road: Yes Width of Approach Road (In feet):  
Encumbered By Tenant?: No Is Tenant is a Purchaser?: No  
Is building has more than two floors?: No  
Other Amenities:  Lift Facility  Roof Garden  Swimming Pool  Club Facility  Gymnasium  Shopping Complex  
Type the characters shown: R7M3K6 Try new characters  
Market Value:- Rs:4,734/-  
Service Count: 5,78,126

Land Rate

Directorate of Registration and Stamp Revenue  
Finance (Revenue) Department, Government of West Bengal

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Market Value of Land

District: North 24 Parganas Thana: Rajarhat (\*) marked items are mandatory  
Local Body: Gram Panchayat Plus Mouza: Hideo (Block - D H)  
Road: Road Zone:  
Premises No.: Premises No. Ward No.:  
Jurisdiction of: A.D.S.R. RAJARHAT Gram Panchayat Plus: RAJARHAT BISHNUPUR  
Project Name: Not Available  
To get owner details of property please enter LR plot no and LR khata no.  
Plot No: RS 00001 / Bata No. RD Khata No.:  
Proposed Land Use: Office Nature of Land: Office  
Area of Land: Acre: Decimal: Bigha: Katha Chatak: Sq Feet: Total Area of Land(Decimal):  
Adjacent to Metal Road: Yes Chatak: 1 0.002197  
Encumbered by Tenant: No Approach Road Width (In feet):  
Bargadar: No Tenanted is Purchaser?: No  
Litigated Property: Yes No Bargadar is Purchaser?: Yes No  
This plot has any road access in any side be mentioned property below:  
North side: Yes No East side: Yes No West side: Yes No South side: Yes No  
Type the characters shown: R5P4T3 Try new characters  
Market Value:- Rs:5,570/-  
Service Count: 42,61,866  
N.B.: To be verified from the appropriate Registration Office after filling up proper Registration Form

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

**Government of West Bengal  
Finance Department (Revenue)  
Nabanna, Howrah-711102**

No. 1645 – F.T Dated, Howrah, the 27<sup>th</sup> September, 2022.  
FT/O/1A-01/2022 Stamp


**ORDER**

Considering the economic slowdown due to Covid 19 pandemic, the Government in the Finance (Revenue) Department had considered the necessity for remission of Stamp Duty temporarily by 2% for several types of registration up to 31<sup>st</sup> January, 2022, vide Notification No. 1281-F.T dated 30<sup>th</sup> October, 2021.

Government in the Finance Department also considered the issue of Circle Rate and considering the necessity, reduced the Circle Rate temporarily by 10% on all immovable properties situated in the State of West Bengal up to 31<sup>st</sup> January, 2022, vide Notification No. 1282-F.T. dated 30<sup>th</sup> October, 2021.

Subsequently, to give further relief to the pandemic affected common people including home buyers, and also for generation of employment, the effective date of those two notifications was extended till 31<sup>st</sup> March, 2022, vide Order No. 133-F.T. dated 29<sup>th</sup> January, 2022 and thereafter till 30<sup>th</sup> September, 2022 vide Order No. 523-F.T. dated 31<sup>st</sup> March, 2022.

Now, in the interest of public service and also considering the interest of the home-buyers who have suffered extremely due to Covid 19 pandemic, it has been decided by Government in the Finance Department to further extend the benefits of Notification No. 1281-F.T dated 30<sup>th</sup> October, 2021 and Notification No. 1282-F.T dated 30<sup>th</sup> October, 2021 till 31<sup>st</sup> December, 2022.

By order of the Governor,  
  
Senior Special Secretary  
to the Government of West Bengal

Source: [stamp\\_duty.pdf\(wbregistration.gov.in\)](http://stamp_duty.pdf(wbregistration.gov.in))



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

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

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



## Annexure 9: Caveats & Limitations

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



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



# **VALUATION REPORT**

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

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

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

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





## Disclaimer

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

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

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

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



**Executive Summary**

<b>Candor TechSpace IT/ITeS SEZ (G2), Sector-21, Gurugram, NCR</b>	
<b>Valuation Date:</b>	31 <sup>st</sup> March 2023
<b>Site Visit Date:</b>	29 <sup>th</sup> March 2023
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion.
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014.
<b>Location / Situation:</b>	<p>Candor TechSpace G2 (herein after referred to as G2 and/ or Subject Property) is located on Old Delhi – Gurugram road, Dundaheera, Gurugram, one of the prime office destinations of Gurugram.</p> <p>The Subject Property is accessible via Old Delhi Road (30-metre-wide road) which further connects to Dwarka Link Road on North and Gurugram city on South.</p> <p>The Subject Property lies in close proximity to various office assets such as DLF Cyber Park, Ambience Corporate Towers, DLF Cyber City, etc.</p> <p>The profile of surrounding development for the Subject Property constitutes developed residential and commercial developments. It is well connected with other parts of the city through road and metro rail network.</p>
<b>Description:</b>	<p>G2 constitutes 13 completed buildings (with OC received) and 1 future development building. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower 1, 2, 3, 4 (Amenity Block-1), 4A (Amenity Block-2), 5, 6, 7, 8A, 8B, 9, 10 (MLCP), and 11</li> <li>Future development (1) : Building name is Not Available (NA)</li> </ul> <p>The Completed buildings collectively admeasure 3,918,238 sq. ft.# of leasable area. Currently the committed occupancy in the Completed buildings is 84.51%*.</p> <p>The Future Development has a leasable area of 99,924 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. The same is expected to be ready by Q1 FY 2025-26.</p> <p>The Subject Property offers state-of-the-art new office towers, cafeteria, creche, convenience store, rejuvenated terrace with an open sit-out area etc. It also provides a wide- range of new features such as touchless visitor management system, centralised command center, etc.</p>
<b>Total Area:</b>	<p>Total Land Area: 28.526 Acres</p> <p>Completed Leasable Area: 39,18,238 sq. ft.#</p> <p>Future Development Leasable Area: 99,924 sq. ft.</p> <p>Total Leasable Area: 40,18,162 sq. ft.</p>



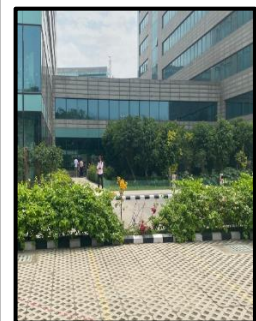
Tower 1A & B of the Subject Property



Tower 3A & B of Subject Property



Amenity Block (Tower 4A) of Subject Property



Tower 5 of Subject Property

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

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

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





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

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

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 March 2023	INR 44,724 Million	Indian Rupees Forty – Four Billion Seven Hundred and Twenty Four Million Only
Future Development	31 March 2023	INR 563 Million	Indian Rupees Five Hundred and Sixty – Three Million Only

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

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

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

**VALUATION FOR MARCH 2022 AND MARCH 2021**

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>
Completed Building	31 March 2022	INR 44,293 Million
Under construction/ Future Development	31 March 2022	INR 594 Million
Completed Building	31 March 2021	INR 43,072 Million
Under construction/ Future Development	31 March 2021	INR 561 Million

*Note: Market Value of the Subject Property for March 2022 and March 2021 by previous Valuer (Shubhendu Saha)*



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

**To: Brookfield India Real Estate Trust**

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

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

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

## **A REPORT**

### **1 Instructions**

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

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

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

L. Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



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

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

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

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

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

### **4 Purpose of Valuation**

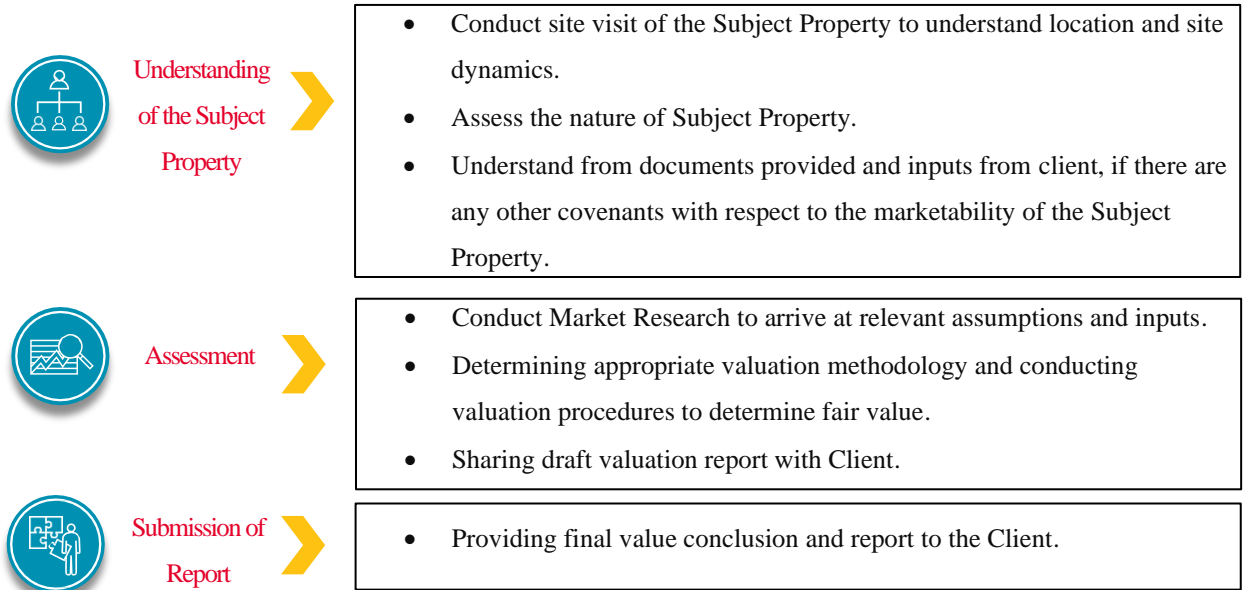
The purpose of this valuation is for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 [SEBI (REIT) Regulations], as amended, together with circulars, clarifications,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

### **5 Basis of Valuation**

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

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

## 6 Valuation Approach & Methodology



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

### Discounted Cash Flow Method using Rental Reversion

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

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

## 7 Assumptions, Departures and Reservations

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



## **8 Inspection**

The Subject Property was inspected on 29<sup>th</sup> March 2023 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## **9 General Comment**

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

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

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

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



## 10 Confidentiality

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

## 11 Authority

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

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

## 12 Reliant Parties

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

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





### **13 Limitation of Liability**

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

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

### **14 Disclosure and Publication**

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



## 15 Anti-Bribery & Anti-Corruption

Both Parties represents, warrants and undertakes that:

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

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

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



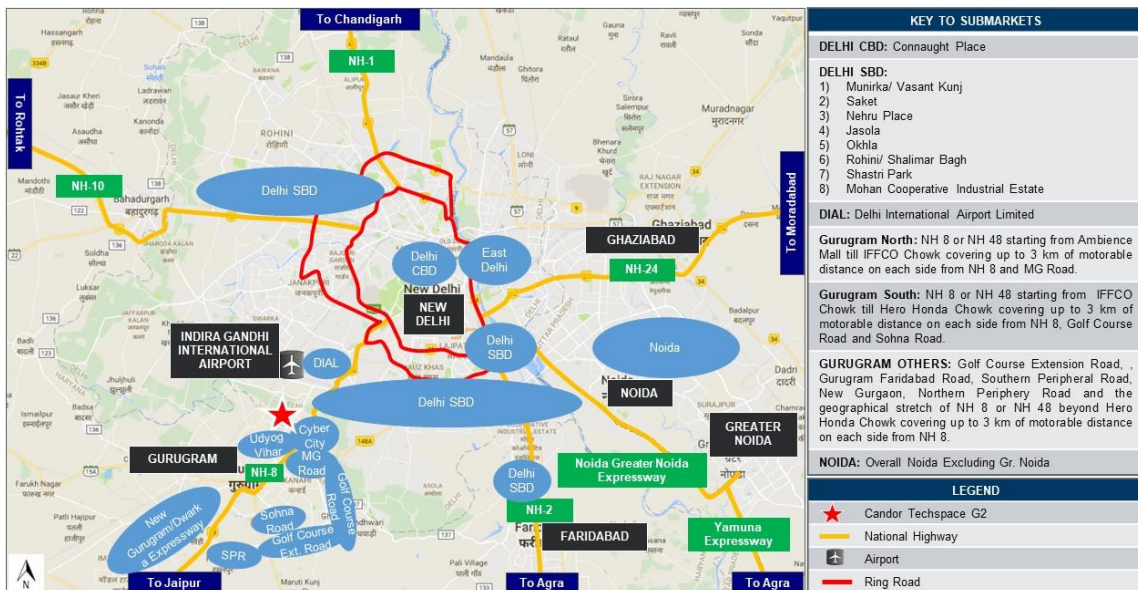
## **B National Capital Region Overview**

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

## 1 National Capital Region Overview

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

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



Source: Cushman and Wakefield Research

(Map not to scale)

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

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



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

Particulars	NCR overall	Delhi	DIAL	Gurugram*	Noida	^Gurugram North
<b>Total Completed Stock till Q1 2023 (msf)</b>	88.09	3.29	1.37	61.01	22.43	28.05
<b>Current Occupied Stock till Q1 2023 (msf)</b>	67.88	2.43	1.23	48.08	16.15	25.97
<b>Current Vacancy Q1 2023 (%)</b>	22.94%	26.04%	10.03%	21.19%	28.01%	7.40%
<b>Avg. Annual Absorption - 2015 – Q1 2023 (msf)</b>	3.59	0.15	0.14	2.41	0.90	0.85
<b>Future Supply – Q2 2023 E – 2025 E (msf)</b>	13.98	-	-	12.21	1.77	3.13
<b>Market Rent – Q1 2023 (INR psf / month)</b>	87.67	142.28	224.52	94.03	54.01	113.40
<b>CAGR for Market Rent (2015 – Q1 2023)</b>	1.86%	0.92%	4.55%	2.03%	3.93%	3.59%

Source: Cushman and Wakefield Research

Notes:

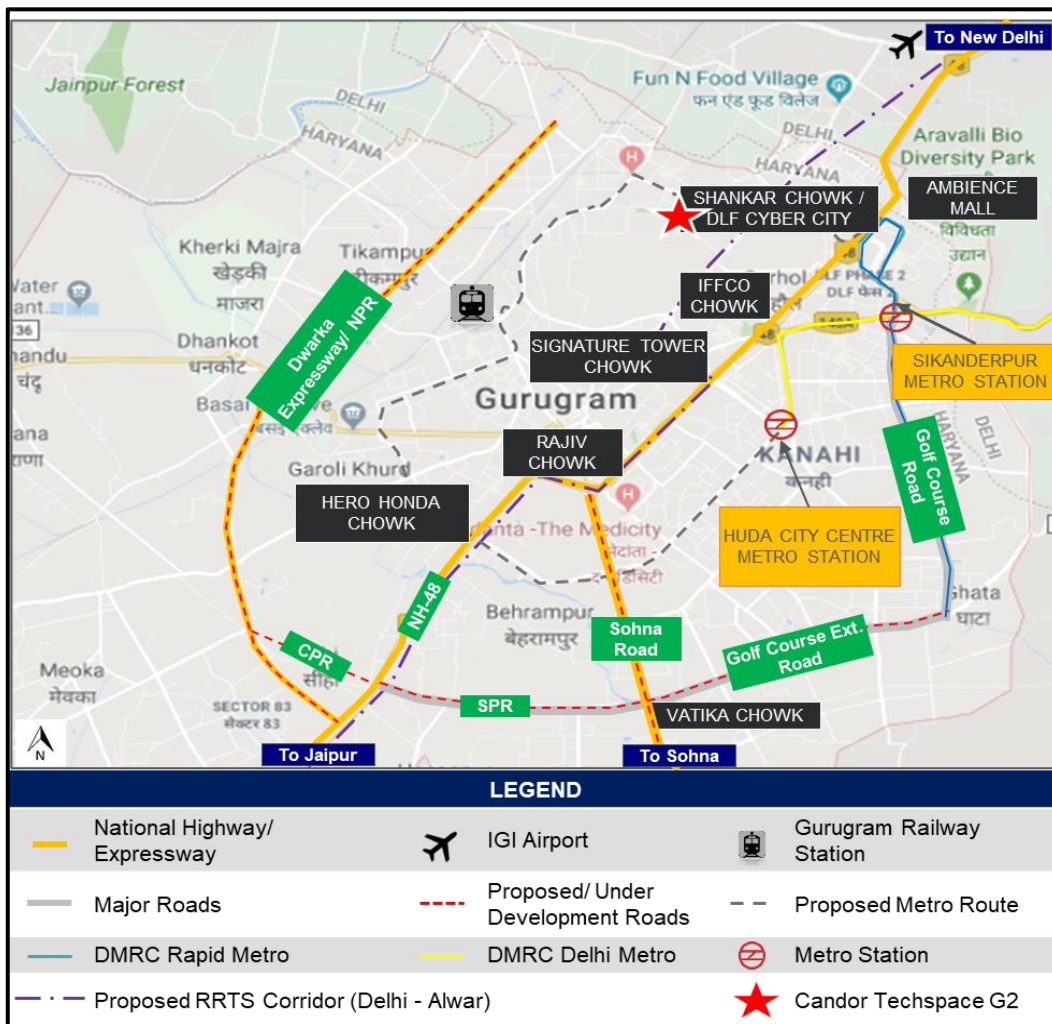
1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT’s city market for the Subject Property.
4. ^Competitive REIT’s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

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

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

### 2.1 Overview

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



Source: Cushman and Wakefield Research

(Map not to scale)





*Note: SPR stands for Southern Peripheral Road*

*Note: The DMRC Yellow Line metro is proposed to be extended from HUDA City Centre to Udyog Vihar, via Old Gurugram and finally terminating at DLF Mousari Avenue rapid metro station. However, exact locations of metro stations are yet to be finalized. Also, a station for Delhi – Alwar RRTS is proposed at Rajiv Chowk on NH – 48. The source for the said metro routes is the information available in the public domain and may differ subject to final approvals.*

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

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

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

Gurugram is divided into three office micro markets:

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

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

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



mall, MGF Metropolis etc.; F&B formats like Cyber Hub, 32nd Milestone, Sector 29 etc.; crèche like Klay, IPSAA, Footprint etc.; has made Gurugram as one of the most preferred micro markets for the working population. The city offers easy accessibility to the amenities required by the working population to lead life independently.

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

## 2.2 Key Statistics - Gurugram

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

Source: Cushman and Wakefield Research

Notes:

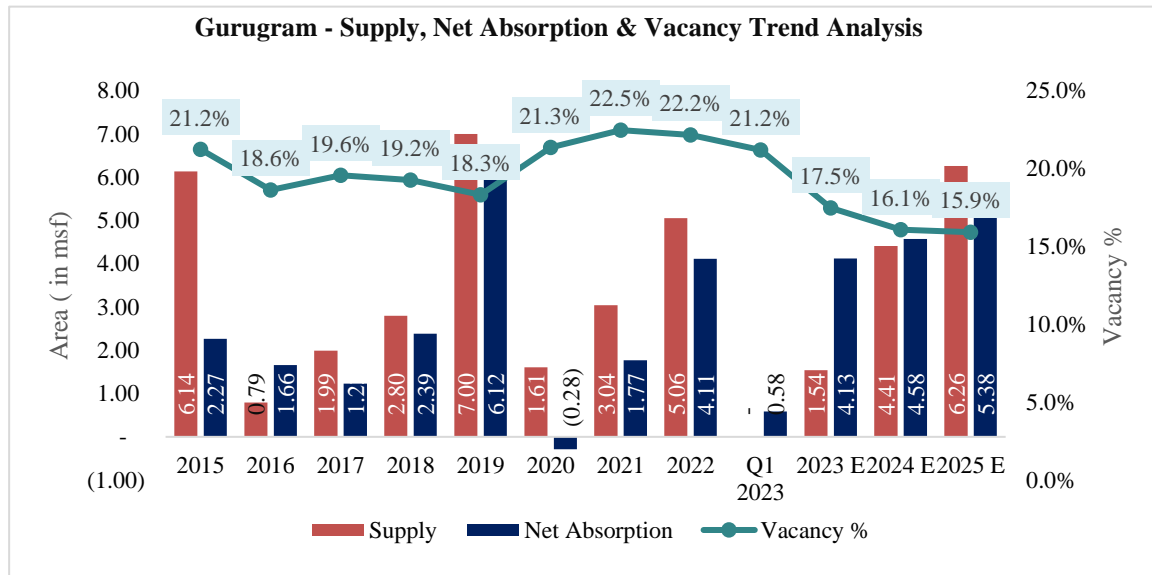
1. Only Grade A office spaces have been considered for the analysis presented in the above table. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area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





### 2.3 Supply, Absorption & Vacancy

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



Source: Cushman and Wakefield Research

**Notes:**

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

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

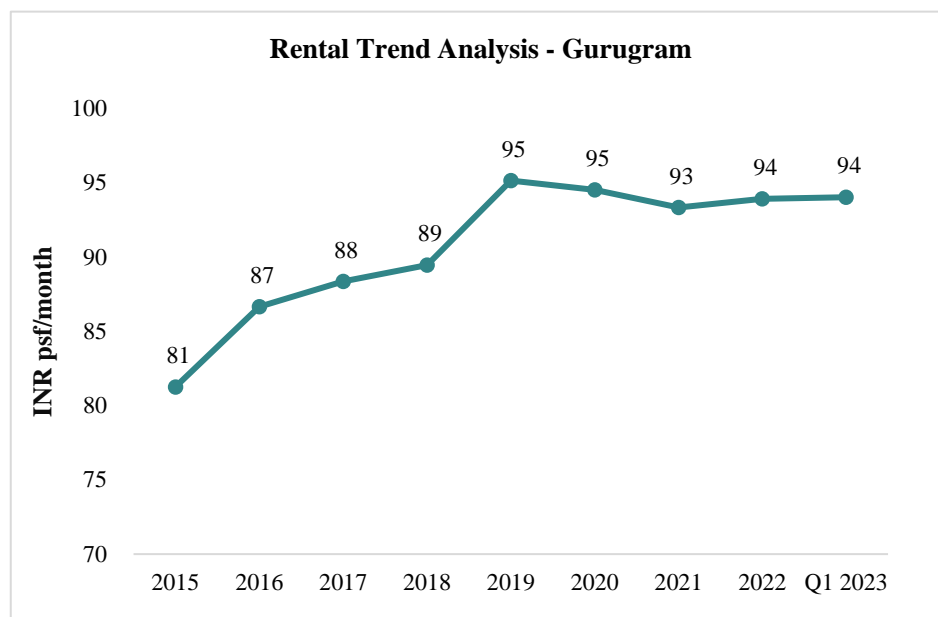
The micro markets in Gurugram developed their individual flavours in terms of nature of developments (campus and integrated) and larger developers created an ecosystem favouring their developments. With infrastructure getting a boost from the government and city limits expanding, office spaces offering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

Further, with increased hiring across the sectors specially IT and BFSI (which are large contributors to office market of India) the new demand is likely to keep growing for the office market. Gurugram's nature of hosting diverse demand from sectors like Technology, BFSI, professional services, media and telecom would help keeping the net absorption figures growing. In our view, the future supply would follow net absorption trends, maintaining the real estate growth momentum in the city. Hence, the vacancy levels are expected to continuously improve and reach around 16% by year 2025E.



## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:



**CAGR**  
2015 – Q1 2023

**2.03%**

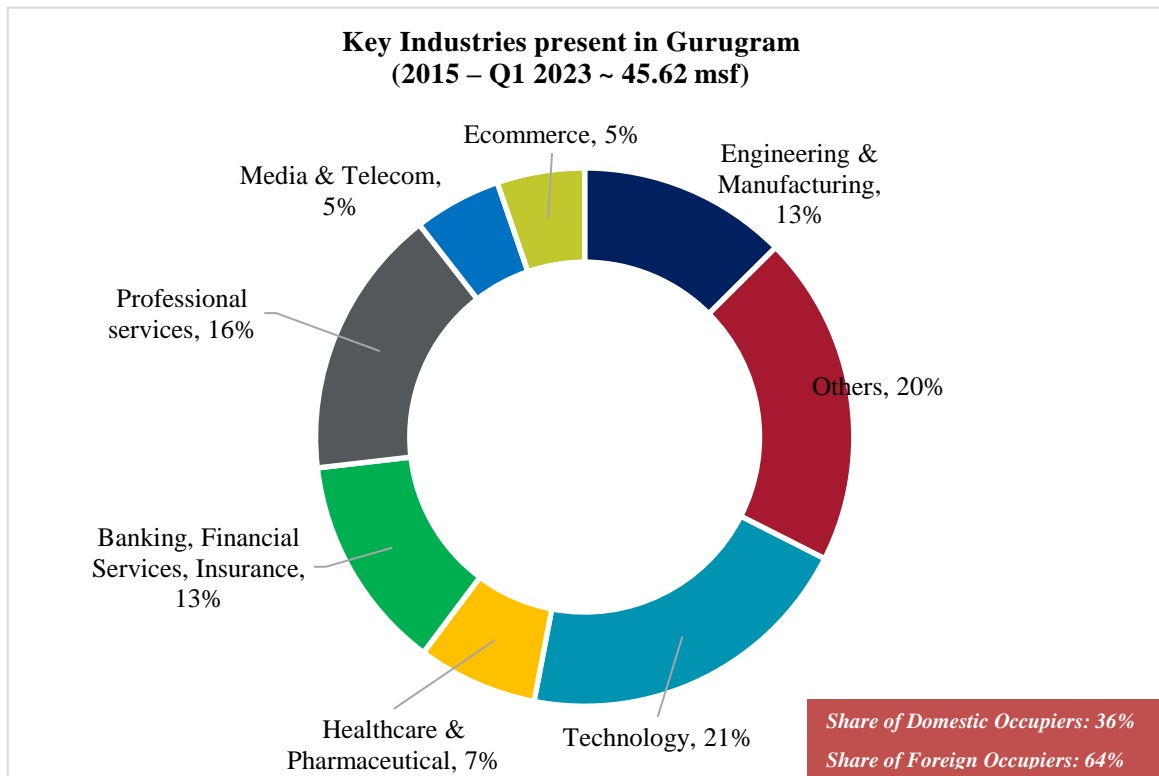
Source: Cushman and Wakefield Research

Notes:

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

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

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



Source: Cushman and Wakefield Research

Notes:

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

Gurugram's office supply constitutes an equal mix of commercial and IT/ITeS developments and reflects similar positioning in demand. Technology is the prominent sector contributing 21% to the overall demand. The other prominent industries contributing 42% to the demand are professional services (16%), BFSI (13%) and Engineering & Manufacturing (13%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace). The mix of foreign and domestic occupants in Gurugram is 64:36.



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

#### **3.1 Overview**

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

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

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

**3.2 Social and Physical Infrastructure**



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

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

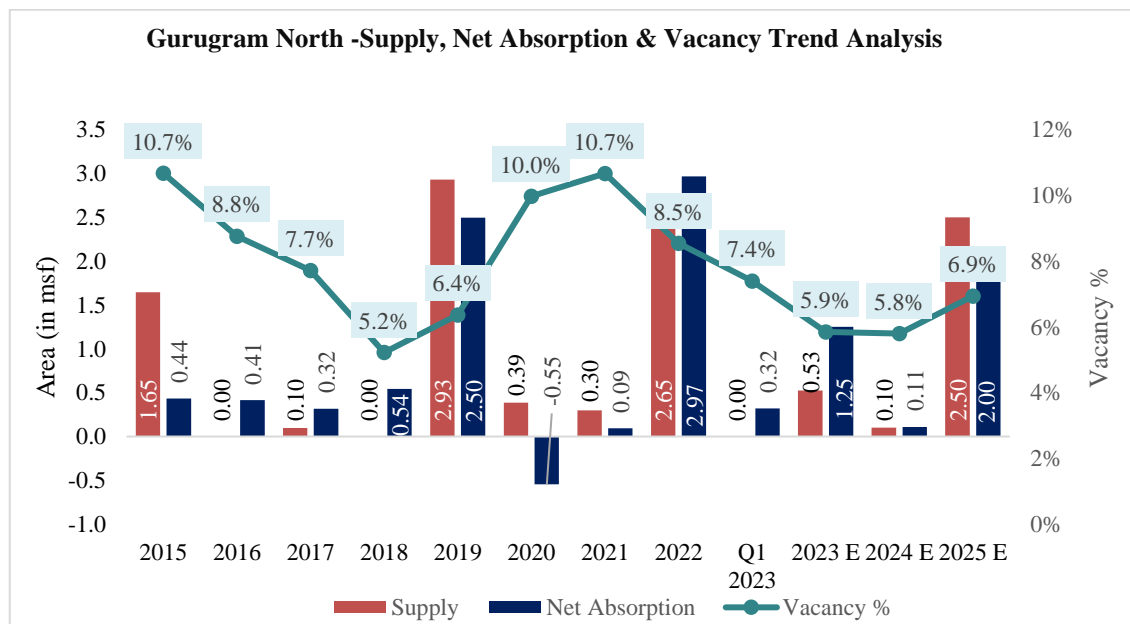
Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF Cyber City (3.2 km)	1. Rotary Public School (1.5 km)	1. Ansal Plaza (4.2 km)	1. DLF Hines JV (2.5 km)	1. Hotel Hyatt Place (1.8 km)	1. Northcap University (3 km)
2. DLF Cyber Park (2.1 km)	2. Swiss Cottage School (4 km)	2. DLF Cyber Hub (3.2 km)	2. Tag Avenue (650m)	2. Oberoi/ Trident Hotel (2 km)	2. ICFAI Business School (0 km)
3. Ambience Corporate Towers (6.6 km)	3. Columbia Asia Hospital (4.2 km)	3. Ambience Mall (6.6 km)	3. The Headquarter 27 (10 km)	3. Hotel Leela (6.6 km)	3. Fairfield Institute of Management & Technology (2.5 km)
	4. KLAY Preschool & Day Care Center (500 m)	4. MGF Metropolitan Mall (7.2 km)		4. Westin Hotel (6.5 km)	
		5. City Centre Mall (7.1 km)		5. Radisson Hotel (3.2 km)	



Sector 21, Gurugram, where the Subject Property is located, lies on a road (Old Gurugram road) running parallel to NH 48, which is the main road, connecting Gurugram to other cities of NCR. There are multiple connecting roads which connect Old Gurugram road to National Highway 48. Old Gurugram road is also a major road providing connectivity to the Subject Property through other parts of the city. Additionally, multiple U-turn under passes and flyovers have been planned at various intersecting junctions between NH 48 and Old Gurugram road to ease the traffic flow.

Indira Gandhi International Airport is located at approximately 9 km from competitive REIT’s micro market (assuming Subject Property being the point of measurement). Currently the nearest metro station is Cybercity station on Rapid Metro line. Further, the state government has approved the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting HUDA City Centre Metro Station to Udyog Vihar via Subash Chowk, Hero Honda Chowk, Old Gurugram, and Palam Vihar Extension and shall have 27 new stations. The 28 km extension has been approved by the Public Investment Board.

### 3.3 Supply, Absorption & Vacancy Analysis



Source: Cushman and Wakefield Research

Notes:

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

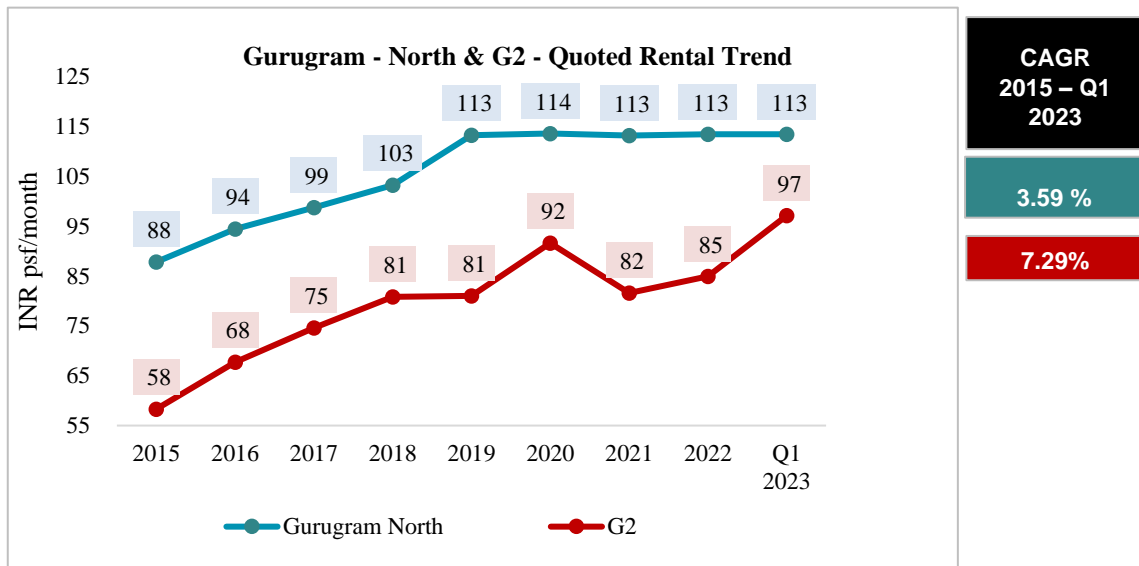
This competitive REIT micro market refers to the geographical stretch of NH 48 starting from Ambience Island till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH 48 and MG Road. It is the biggest micro market of the city, contributing about 46% of total stock of Gurugram. Gurugram North has witnessed limited supply since 2015 and witnessed consistent demand from occupiers. The competitive REIT micro market benefits from its location and presence of established players like Brookfield and DLF. The competitive REIT micro market offers large integrated office developments addressing the office space



requirements of large occupiers. The quality of developments coupled with locational advantages will continue to drive demand for the micro market. The competitive REIT micro market has seen declining trend in the vacancy since 2021. The supply and net absorption for the year CY 2022 has also surpassed pre covid levels (CY 2019) witnessing supply of approximately 2.65 msf and net absorption of approximately 2.97 msf. Absorption as of Q1 2023 for the competitive REIT micro market is 0.32 msf with vacancy at 7.4%.



### 3.4 Rental Trend Analysis



Source: Cushman and Wakefield Research

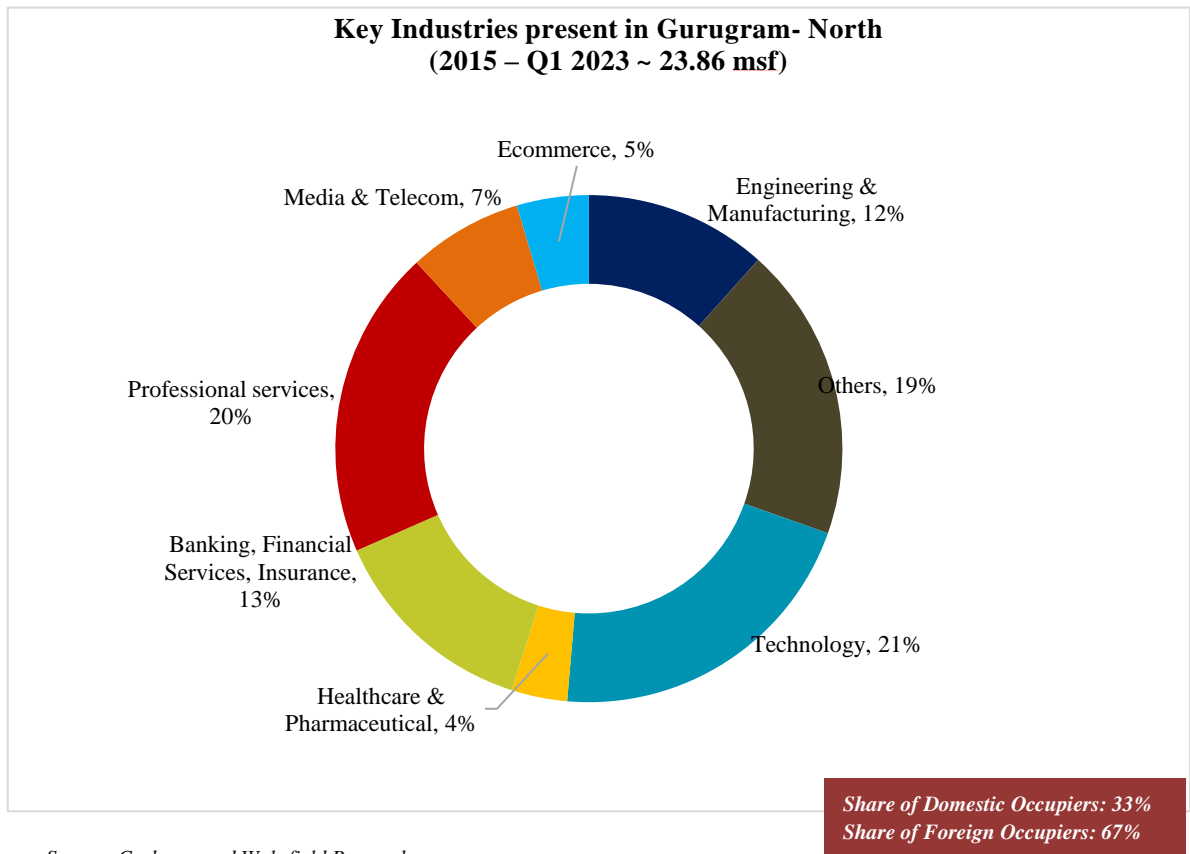
Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals for Candor TechSpace G2 have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Rentals presented above are weighted average values on completed stock.

Gurugram North is the micro market closer to Delhi, IGI airport as well as easily accessible by NH 48 and hence enjoys superior connectivity with Delhi and NCR at large, as compared to the rest of Gurugram. The competitive REIT micro market has been developed majorly by players like DLF, Brookfield, Ambience, BPTP etc. and hence offers quality developments with better amenities. Gurugram North is also benefiting with regular infrastructure upgradation. This micro market has witnessed above average rental growth as it has managed to attract significant occupier base owing to its access to physical infrastructure and social amenities like F&B hubs at Cyber hub, Sector 29 etc. which are sought after by contemporary working population. Rental trend analysis suggests that G2 has witnessed a rental growth of 7.29% as compared to a growth of 3.59% in the competitive REIT micro market over the same period i.e from 2015 to Q1 2023.



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



Notes:

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

Gurugram North is dominated by Technology and Professional Services sector which together contributes 41% of the leasing activity in the period 2015 – Q1 2023. The tenants are attracted to the competitive REIT micro market due to availability of good physical and social infrastructure. The technology occupiers in this micro market are involved in the activities of software development, process engineering, research and development etc. The other prime contributors to the demand are Engineering & Manufacturing and BFSI, together contributing 25% followed by Professional Services (20%). The engineering occupiers in this micro market are involved in the activities of telecom research & development, automobile sales etc. The mix of foreign and domestic occupants in Gurugram North is 67:33.



#### **4 Market Outlook**

Gurugram North comprises some well-established office developments in the Competitive REIT Micro Market includes Candor TechSpace G2, DLF Cyber City, DLF Cyber Park, etc.

The Competitive REIT Micro Market has performed exceptionally well during last year (CY 2022). The net absorption for the year CY 2022 has also surpassed pre covid levels (CY 2019). A declining trend in the vacancy has also been observed since 2021. The net absorption as of Q1 2023 for the competitive REIT Micro Market is 0.32 msf with vacancy at 7.4%. Further, with limited supply addition and continuous traction from occupiers, the vacancy expected to be in the range 5% to 7%.

According to the market assessment provided, the current weighted quoted average market rentals of Competitive REIT Micro Market is INR 113 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters The Competitive REIT Micro Market has witnessed a rental CAGR of 3.59%, as compared of 7.29% in the Subject Property over the same period.

Work from home period has also significantly reduced and many organisations have started calling their workforce back to office. Considering the well-maintained infrastructure, key location, improved connectivity (through planned elevated corridors and underpasses and expansion of metro network), increasing trend in return to office, the annual growth rate of 5% to 6% in market rents over medium to long term appears achievable for the Subject Property.

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



## **C SUBJECT PROPERTY REPORT**



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

Address:	Old Delhi – Gurugram road, Dundahera, Gurugram, Haryana – 122001, India
Ownership & title details:	<p>Land Tenure: Freehold.</p> <p>Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as “Candor Gurgaon Two Developers &amp; Projects Private Limited”; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%</p>

*Source: Client Information*

### **1.1 Encumbrances**

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

### **1.2 Revenue Pendencies**

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

### **1.3 Material Litigation**

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

## 2 Location

### 2.1 General

The Subject Property is located at Old Delhi – Gurugram road, Dundaheera, Gurugram. G2 is accessible via Old Delhi-Gurugram Road (30-meter-wide road) which further connects Dwarka Link Road on North, NH 48 on East and Gurugram city on South. NH 48 is the main connecting road, connecting Gurugram to other cities of NCR. It is part of Gurugram North micro market which is one of the established office, residential and retail micro-markets of Gurugram. Gurugram’s largest office cluster viz. DLF Cyber City is located in the micro market of Gurugram North. Being located in Gurugram North micro market, the Subject Property has access to good physical and social infrastructure.

G2 lies in close proximity to Cybercity Rapid Metro Station which further enhances its accessibility from different parts of NCR. Also, the state government has approved the expansion of existing Delhi Metro Yellow line to Old Gurugram, which will be connecting HUDA City Centre Metro Station to Udyog Vihar via Subash Chowk (nearest landmark to Subject Property), Hero Honda Chowk, Old Gurugram and Palam Vihar Extension. Once operational, the said metro route will have 27 new stations. The 28 km extension has been approved by the Public Investment Board.

The location map of the Subject Property is as follows:



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



**Site Boundaries:**

The site boundaries for the Subject Property are as under:

- North: Vacant Land Parcel
- East & South: Developed Commercial and Residential Group Housing Formats
- West: Vacant Land Parcel

**2.2 Accessibility**

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

- Approximately 02 km from NH 48 (Delhi – Jaipur highway)
- Approximately 03 km from IndusInd Cyber City Metro Station
- Approximately 03 km from DLF Cyber City (Gurugram CBD)
- Approximately 09 km from Gurugram Railway Station
- Approximately 09 km from IGI Airport
- Approximately 23 km from Connaught Place (Delhi CBD)

**2.3 Ground Conditions**

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

**2.4 Environmental Considerations**

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

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

**2.5 Town Planning and Statutory Considerations**

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



### 3 Subject Property - Asset Description

G2 is an IT/ITeS SEZ business park with 13 completed buildings along with 1 future development building. The listing of the buildings under each component is as follows:

**Completed buildings with Occupancy Certificate (OC) received**– Tower 1, 2, 3, 4 (Amenity Block-1), 4A (Amenity Block-2), 5, 6, 7, 8A, 8B, 9, 10 (MLCP), 11

**Future development** – The future development has a leasable area of 99,924 sq. ft. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed.

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

Particulars	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date
Tower 1	641,845	12	53,487	Completed	NA
Tower 2	565,370	Up to 11	51,397	Completed	NA
Tower 3	479,285	Up to 8	59,911	Completed	NA
Block 4 (Amenity Block-1)	67,802	-	-	Completed	NA
Block 4A (Amenity Block-2)	22,675	-	-	Completed	NA
Tower 5	25,071	2	12,536	Completed	NA
Tower 6	633,048	10	63,305	Completed	NA
Tower 7	443,898	9	49,322	Completed	NA
Tower 8A & 8B	540,053	10	54,005	Completed	NA
Tower 9	202,761	6	33,794	Completed	NA
Tower 10 (MLCP)	98,796	-	-	Completed	NA
Tower 11	1,97,634	11	17,967	Completed	NA
N.A	99,924	-	-	Future Development	Q1 FY 2025-26
<b>Total</b>	<b>4,018,162</b>		<b>43,969</b>		

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

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





### 3.1 Key Asset Information

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

Particulars	Details
<b>Entity:</b>	Candor Kolkata One Hi-Tech Structures Private Limited
<b>Interest owned by REIT (%):</b>	Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as “Candor Gurgaon Two Developers & Projects Private Limited”; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.
<b>Age of building based on the date of Occupancy Certificate:</b>	<p>Tower 2 – 11 years and 6 months</p> <p>Tower 2 – 11 years and 6 months</p> <p>Tower 3 – 11 years and 6 months</p> <p>Block 4 (Amenity Block-1) – 11 years and 6 months</p> <p>Block 4A (Amenity Block-2) – 5 years and 4 months</p> <p>Tower 5 – 11 years and 6 months</p> <p>Tower 6 – 5 years and 4 months</p> <p>Tower 7 – 5 years and 1 month</p> <p>Tower 8A – 5 years and 4 months</p> <p>Tower 8B – 5 years and 4 months</p> <p>Tower 9 – 5 years and 1 month</p> <p>Tower 10 (MLCP) – 5 years and 1 month</p> <p>Tower 11 – 3 year 1 months</p>





<b>Asset Type:</b>	Approved IT/ITeS SEZ
<b>Sub-Market:</b>	Gurugram North
<b>Approved and Existing Usage:</b>	IT/ITeS SEZ
<b>Land Area (acres):</b>	~28.526
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	3,918,238 sq. ft.#
<b>Occupied Area:</b>	3,311,213 sq. ft.
<b>Committed Occupancy (%)*:</b>	84.51%
<b>Current Effective Rent (excluding parking):</b>	INR 84 per sq. ft. per month (office Tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 83 per sq. ft per month (Office, Retail and telecom tenants only)
<b>Number of Tenants:</b>	15** (office)

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

**Note:**

*Refer company structure set out in (Annexure 2)*

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

*\*\* Moody's (Group Companies) Includes (Mis Support Center Private Limited, Moody's Shared Services India Private Limited, Moody's Analytics India Pvt Ltd) and Accenture's (Group Companies) includes Accenture Operations Services Private Limited and Accenture Solutions Private Limited.*

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



**Future Development**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Candor Kolkata One Hi-Tech Structures Private Limited (formerly known as “Candor Gurgaon Two Developers & Projects Private Limited”; now amalgamated in Candor Kolkata One Hi-Tech Structures Private Limited w.e.f. Jan 9, 2019) has an agreement with Gurgaon Infospace Limited (GIL). The title to the land is held by Gurgaon Infospace Limited, a third party and is not affiliated to the Candor Kolkata One Hi-Tech Structures Private Limited. Candor Kolkata One Hi-Tech Structures Private Limited has developmental rights with respect to the Subject Property pursuant to a Joint Development Agreement (JDA) with GIL entered on November 16, 2006 as amended from time to time. Under the said agreement Candor Kolkata One Hi-Tech Structures Private Limited is entitled to 72% of the gross sale revenue and deposits from the tenants arising out of the lease of the developed areas and GIL is entitled to receive balance 28%.
<b>Expected completion date of construction:</b>	Q1 FY 2025-26
<b>Asset type:</b>	Approved IT/ITeS SEZ
<b>Sub-market:</b>	Gurugram North
<b>Approved Usage:</b>	IT/ITeS SEZ
<b>Leasable Area:</b>	99,924 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

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



### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 13 operational buildings along with one future development areas was physically inspected on 29th March 2023.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational buildings</li> <li>b. Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>c. Area provisioned for Future development.</li> </ol>
<b>Key Observations:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li>• <b>Completed/ Operational Building:</b> <p>The operational buildings in the campus are Block 1, 2, 3, 5, 6, 7, 8A, 8B, 9, 11, two amenity blocks (Block 4 &amp; 4A) one MLCP (Tower 10), with OC received collectively admeasure 3,918,238 sq. ft.# of leasable area.</p> <p>The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>a. Office: 10 office towers namely 1, 2, 3, 5, 6, 7, 8A, 8B, 9 and 11 having leasable area of 37,28,965 sq. ft. The office towers are occupied by multiple tenants. Major tenants in these towers are Accenture, TLG, RBS, Carelon and Amdocs.</li> <li>b. Amenity Block: Two amenity blocks: Block 4 &amp; 4A having total leasable area of 90,477 sq. ft. It constitutes retail area catering all basic requirements of occupiers viz. F&amp;B (in the form of multi-cuisine food courts and in-house kitchens), pharmacy, bank ATM, creche, sports arena, wellness centre, convenience store, dental clinic etc. Major tenants in these blocks are JRD (Food Boulevard), Connaught Plaza (MCD), Dex Retail and PNR.</li> <li>c. MLCP: Tower 10 constitutes 98,796 sq. ft. of office area. 5th and 6th floors of MLCP are being used as office and are occupied by Saxo India.</li> </ol> </li> <li>• <b>Future development:</b> <p>The Future Development with leasable area of 99,924 sq. ft. is expected to be completed by Q1-FY 2025-26.</p> </li> </ul>	



**Other Amenities**

- The Subject Property has STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.

**Awards & Certifications**

- G2 has been awarded IGBC Platinum Rating for sustainability in addition to the group wide ISO certification for Quality, GRESB 5-star rating, BEE 5-star rating, Environmental and Occupational Health & Safety Management Systems namely ISO 9001, ISO 14001 and OHSAS 18001

**Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 6,212 (including future developments) parking spaces.

**Other Observations**

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

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

Note:

- The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*
- The increase in leasable area is due to change in efficiency.*



### 3.3 Investigation and nature and source of information

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

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

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

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

Architect's Certificates (Dated: 05<sup>th</sup> May 2023) mentioning site areas and Subject Property areas.

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

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

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

Management representation regarding the following:

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

Statement of Assets

Revenue pendency, if any

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



### 3.4 Tenant Profile

As of 31<sup>st</sup> March 2023, the Subject Property's top 10 tenants occupying space in the Subject Property, account for ~93.81% of leased area and ~95% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Accenture's (Group Companies)*	11,87,432
2	TLG	5,84,834
3	RBS	4,37,598
4	Carelon	2,11,268
5	Amdocs	2,04,053
6	Saxo India	1,37,758
7	BT E-Serv	1,16,631
8	Moody's (Group Companies)*	93,848
9	R1 RCM	68,747
10	EUI	64,212
<b>Total</b>		<b>3,106,381</b>

Source: Rent Roll as at 31 March 2023 and Client Information

\*Moody's (Group Companies) Includes (Mis Support Center Private Limited, Moody's Shared Services India Private Limited, Moody's Analytics India Pvt Ltd) and Accenture's (Group Companies) includes Accenture Operations Services Private Limited and Accenture Solutions Private Limited.

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Accenture's (Group Companies)*	37%
2	TLG (Sapient)	17%
3	RBS	14%
4	Amdocs	6%
5	Carelon	6%
6	Saxo India	5%
7	BT E-Serv	4%
8	Moody's (Group Companies)*	3%
9	EUI	2%
10	R1 RCM	2%
<b>Total</b>		<b>95%</b>

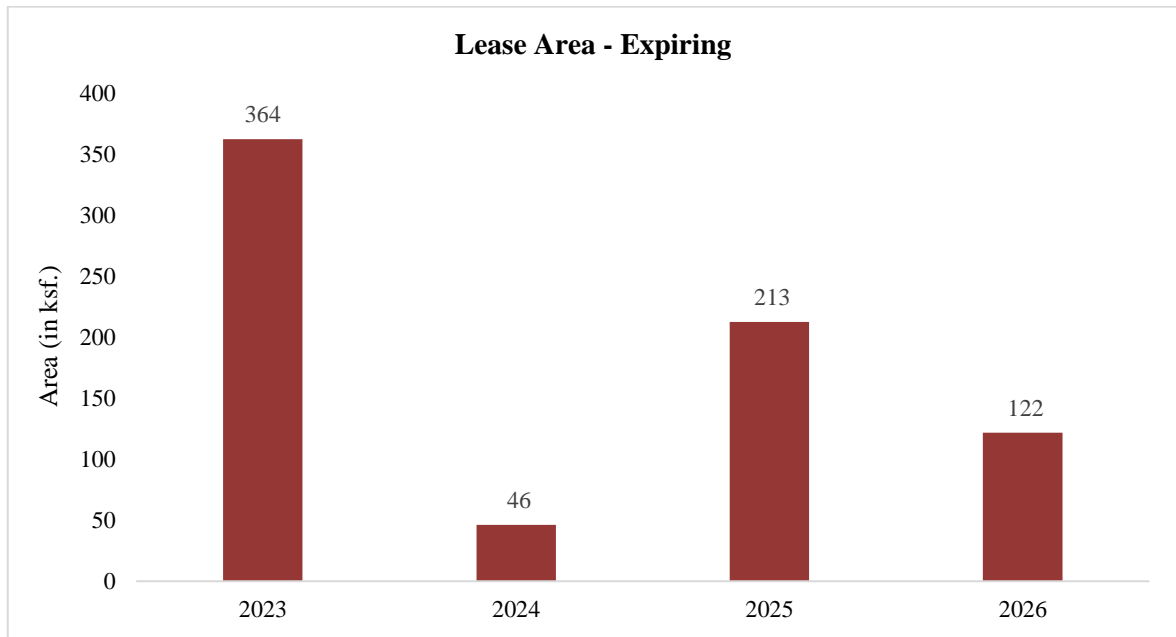
Source: Rent Roll as at 31 March 2023 and Client Information

\*Moody's (Group Companies) Includes (Mis Support Center Private Limited, Moody's Shared Services India Private Limited, Moody's Analytics India Pvt Ltd) and Accenture's (Group Companies) includes Accenture Operations Services Private Limited and Accenture Solutions Private Limited.



### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 7.7 years, with ~22% of occupied area expiring between 2023 and 2026 as shown in the chart below (including office, retail and telecom tenants).



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

Notes:

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



## 4 Valuation Approach & Methodology

### 4.1 Asset-specific Review:

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

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

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

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

### 4.2 Micro-market Review:

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

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





### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:
  - Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.
  - Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
  - Step 3:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value).
3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

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

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 31<sup>st</sup> March 2023:

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

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	39,18,238
Area Leased	sq. ft.	33,11,213
Committed Occupancy*	%	84.51%
Vacant Area	sq. ft.	6,07,025
Vacancy	%	15.49%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	sq. ft.	5,09,070
Existing Lease Rollovers	%	100%
Rent Free Period – Existing Leases (First Year)	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	6,212
Estimated Leasing Period	# of quarters	8

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

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

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

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

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 – Q1 2023, the Gurugram North micro market has witnessed an average annual net absorption of approximately 0.85 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 1.14 msf per annum till 2025E.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.51 msf within 8 quarters from July 2023 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2023.

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



Source: Cushman and Wakefield Research

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

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 84.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 114.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 90.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 120.00
Other Income	Per sq. ft. per month	INR 0.25
Rental Growth Rate (for FY'25 – FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – Q3 FY 24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.56

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

- **Market rent - office:**

- Achievable market rent includes parking charges of INR 6 per sq. ft. per month (considering the parking rent of INR 5,000 per slot per month)
- In year FY' 2023, approximately 0.37 msf was leased in the rental range of INR 77 – 89 per sq. ft. per month (including parking).

**Lease Transactions FY' 2022-2023:**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
<b>Accenture</b>	2022	80,085	80
<b>Carelon</b>	2022	2,11,268	79
<b>Carelon Incubation</b>	2022	58,104	89
<b>VACO</b>	2023	20,899	85

*Source: Rent roll as at 31 March 2023 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view the future supply, which is very limited, we expect the Subject property's monthly rental would be INR 90 per sq. ft. per month (inclusive of parking charges) and the same is considered for our calculations.
- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5-6% in the medium to long term.

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

- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.



- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'23 ranges from INR 5 – 10 per sq. ft. per month. Further, the total CIOP expense for the period between 1<sup>st</sup> April 2022 – 31 March 2023 for G2 is considered to be INR 76.69 Million and escalated at 8% annually for subsequent years. Thus, the tenants are charged INR 3.31 – 7.74 per sq. ft. per month for the CIOP expense for the period, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 75% where it was more than 75%, when the area gets re-leased on expiry.



### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 7.12
Property Tax	Per sq. ft./month	INR 0.13
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

Please note that there is a general development expenditure of INR 156 million to be incurred on the Subject Property.

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



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

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

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

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

Source: Secondary Market Research

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



- **Discount Rate**

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

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

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





**Future Development**

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

**Subject Property Details**

Subject Property Details	Unit	Future Development
Total Leasable Area	sq. ft.	99,924
Stabilized Vacancy	%	2.5%
Existing Lease Rollovers	%	100%
Rent Free Period – New Leases	Months	4
Estimated Leasing Period	# of quarters	4

**Construction Related Assumptions**

Construction Related Assumptions	Unit	Future Development
Start Date of Construction	Month/Year	Jan – 24
End Date of Construction	Month/Year	Jun – 25
Total Construction Cost <sup>3</sup>	INR Million	327
Construction Cost Incurred till Date	INR Million	-
Construction Cost to be Incurred	INR Million	327

Notes:

1. We have relied upon Client inputs for the assumptions relating to construction.
2. The assumptions on cost to be incurred for future developments as well as for under construction projects are based on inputs provided from the client while applying independent professional judgement by the valuer.
3. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 84.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 114.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 90.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 120.00
Rental Growth Rate (for FY'25 – FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – Q3 FY 24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.56

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

### Capitalization Rate and Discount Rate

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



## 6 Market Value

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

Component	Market Value as on	In Figures	In Words
Completed Building	31 March 2023	INR 44,724 Million	Indian Rupees Forty – Four Billion Seven Hundred and Twenty – Four Million Only
Future Development	31 March 2023	INR 563 Million	Indian Rupees Five Hundred and Sixty – Three Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 7,300 per sq. ft.
Land area	INR 1,68,500 per sq. ft.

For reference, please refer Annexure 7.

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

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

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



**Annexure 1: Cash Flows**

**Completed Buildings: Tower 1, 2, 3, 4 (Amenity Block – 1), 4A (Amenity Block – 2), 5, 6, 7, 8A, 8B, 9, 10 (MLCP), 11**

Year		1	2	3	4	5	6	7	8	9	10	11
Particulars	Unit	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	3,083	3,850	4,334	4,463	4,807	5,142	5,345	5,602	6,018	6,145	6,741
O&M Markup	INR Million	363	477	523	544	565	587	611	636	662	689	716
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	13	13	14	15	15	16	17	18	19	19	20
<b>Total Income</b>	<b>INR Million</b>	<b>3,459</b>	<b>4,340</b>	<b>4,870</b>	<b>5,021</b>	<b>5,387</b>	<b>5,746</b>	<b>5,973</b>	<b>6,255</b>	<b>6,699</b>	<b>6,853</b>	<b>7,478</b>
Total Income from occupancy	<b>INR Million</b>	<b>3,459</b>	<b>4,340</b>	<b>4,870</b>	<b>5,021</b>	<b>5,387</b>	<b>5,746</b>	<b>5,973</b>	<b>6,255</b>	<b>6,699</b>	<b>6,853</b>	<b>7,478</b>
Land Owner Share	INR Million	(867)	(1,082)	(1,217)	(1,254)	(1,350)	(1,444)	(1,501)	(1,573)	(1,690)	(1,726)	(1,893)
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(37)	(15)	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(7)	(7)	(7)	(8)	(8)	(8)	(9)	(9)	(10)	(10)	(11)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(44)</b>	<b>(22)</b>	<b>(7)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(9)</b>	<b>(9)</b>	<b>(10)</b>	<b>(10)</b>	<b>(11)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,548</b>	<b>3,237</b>	<b>3,646</b>	<b>3,760</b>	<b>4,029</b>	<b>4,293</b>	<b>4,463</b>	<b>4,672</b>	<b>4,999</b>	<b>5,117</b>	<b>5,574</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	69,672	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(697)	-
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>2,548</b>	<b>3,237</b>	<b>3,646</b>	<b>3,760</b>	<b>4,029</b>	<b>4,293</b>	<b>4,463</b>	<b>4,672</b>	<b>4,999</b>	<b>74,092</b>	
Maintenance Capex	INR Million	(44)	(55)	(62)	(64)	(69)	(74)	(77)	(81)	(87)	(88)	
Brokerage Expenses	INR Million	(60)	(73)	(33)	(9)	(16)	(16)	(23)	(57)	(14)	(164)	
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(62)</b>	<b>(51)</b>	<b>(42)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Cashflows</b>	<b>INR Million</b>	<b>2,382</b>	<b>3,057</b>	<b>3,508</b>	<b>3,686</b>	<b>3,943</b>	<b>4,203</b>	<b>4,362</b>	<b>4,535</b>	<b>4,898</b>	<b>73,840</b>	

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



**Future Development: Tower 12**

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	5	90	122	125	139	140	144	160	161
O&M Markup	INR Million	-	-	3	15	17	18	19	19	20	21	22
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	12
<b>Total Income</b>	<b>INR Million</b>	-	-	8	106	139	143	157	159	164	181	195
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	8	106	139	143	157	159	164	181	195
Land Owner Share	INR Million	-	-	(1)	(25)	(34)	(35)	(39)	(39)	(40)	(45)	(45)
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	(5)	(1)	-	-	-	-	-	-	-
Property Taxes	INR Million	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	(6)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	1	80	105	108	118	120	124	136	149
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	1,723	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(17)	-
<b>Total Net Income</b>	<b>INR Million</b>	-	-	1	80	105	108	118	120	124	1,842	-
Maintenance Capex	INR Million	-	-	(0)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	-
Brokerage Expenses	INR Million	-	-	(10)	(10)	-	-	-	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	(54)	(218)	(54)	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(54)	(218)	(63)	68	103	106	116	118	122	1,839	-

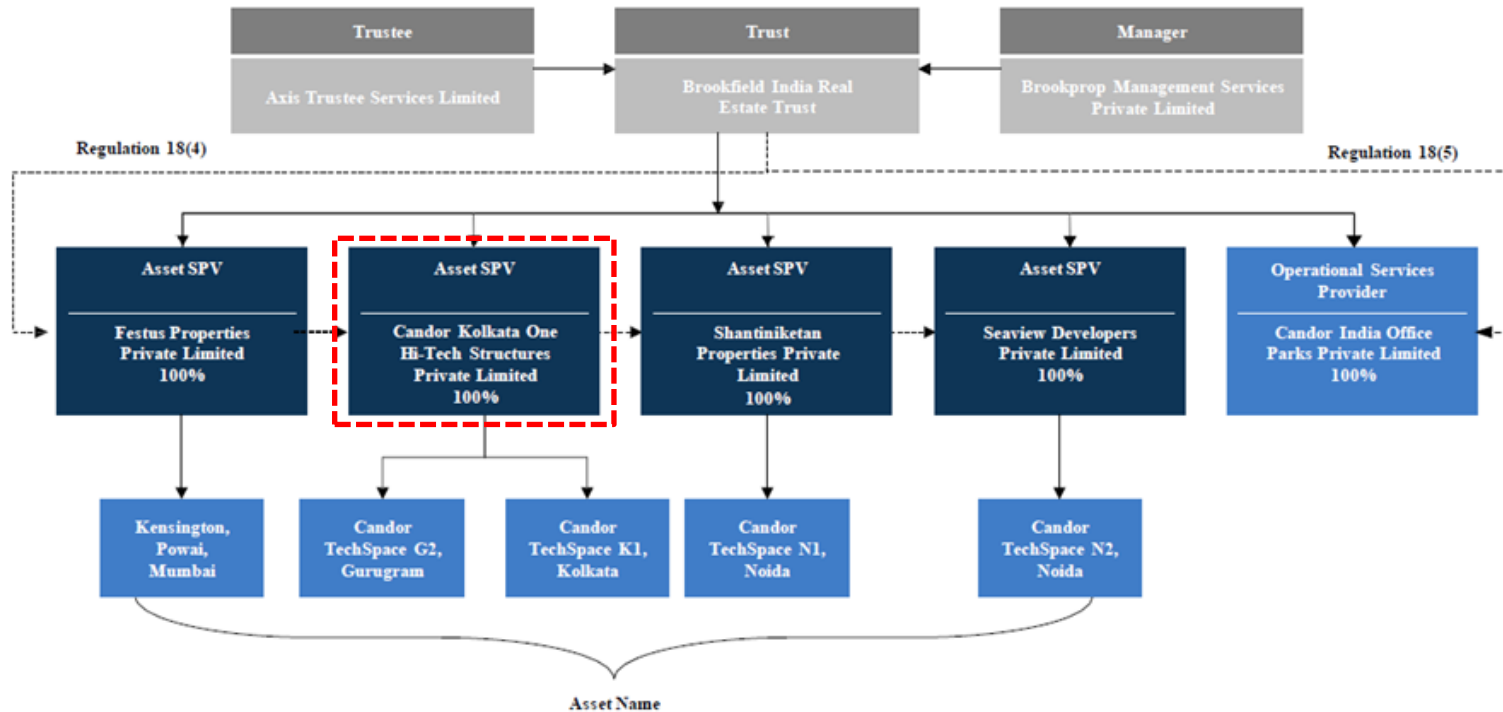
Note: We have arrived at the valuation of the Subject Property using the quarterly cash flows and reproduced the above-mentioned annual cashflows for representation purposes.



Annexure 2: Ownership Structure

Brookfield India REIT structure post N2 Acquisition

Subject Property Asset SPV

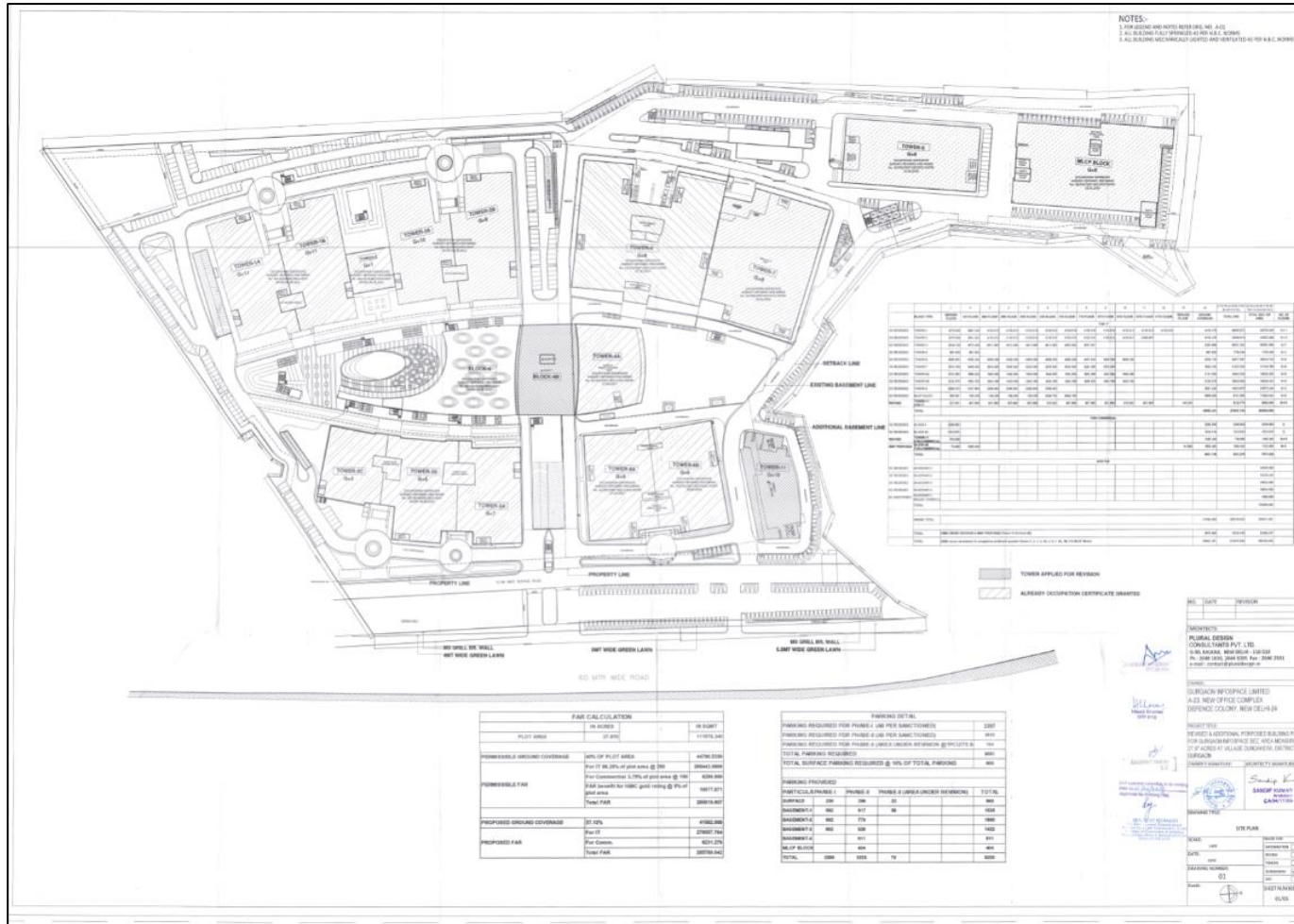


Notes:

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



Annexure 3: Site Layout (Complete & Future Development)



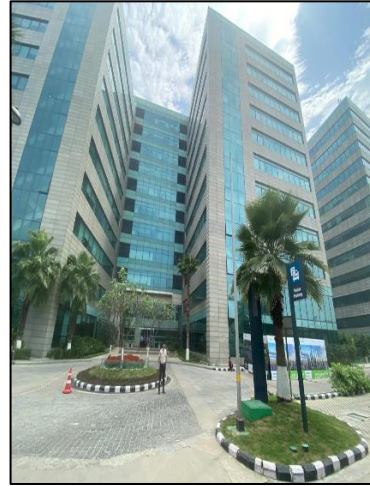
Source: As provided by client



**Annexure 4: Subject Property Photographs**



View of Tower 1 A & B



View of Tower 2 A & B



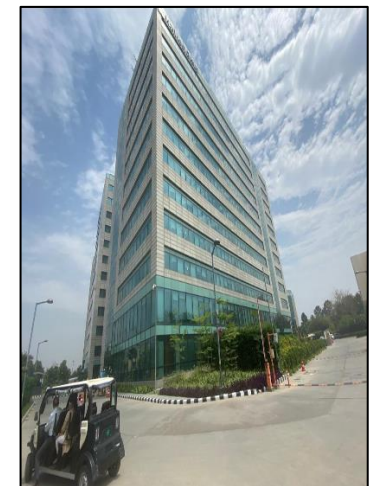
View of Tower 3 A & B



View of Tower 5



View of Tower 6 A & B



View of Tower 7



View of Rooftop Solar Panel



View of LT Room



View of Block 9 & 10 DG Room



View of WTP & Fire Pump Room



View of HSD yard



View of Amenity Block (Tower 4a)



**Annexure 5: Statement of Key assets**

Building	No/Name	B1	B5	B2	B3	B4 & 4A	B6	B7	B11	B8	B9	MLCP
No of DG Capacity	KVA	(3x1250KVA+ 3x1010KVA)		(3x1250KVA+3x1010KVA)	(3x1250KVA + 2x1010KVA)		(4x 1500KVA)	(4x 1500KVA)	DG(2x 1010KVA+3x1500KVA)		(4x 1250KVA)	
No of Transformer/Capacity	KVA	(2x1250KVA+ 2x1500KVA)		(1x1250KVA+ 3x1500KVA)	(2x1250KVA+ 2x1500KVA)		(3x2000KVA)	(3x1250KVA)	T/F (4x 1600KVA)		(3x1250KVA)	
Chiller Rating	TR	4 X 800TR + 1 X 850TR			2 X 600TR + 1 X 195TR		3 X 500TR	3 X 500TR	3 X 439TR +1x340TR		2 X 546TR	
Cooling Tower		HVAC for block 1&2 (4x1000TR + 1x1200TR) DG( 3x150TR +3x120TR),		DG(3x120TR+3x150TR )	HVAC ( 3x750TR) DG (3x150+3x2x120TR),		HVAC (4x600TR) DG 5x190TR each	HVAC (3x600TR) DG 4x190TR each,	HVAC (4x550TR + 1x450TR) DG(3x190TR+2x120TR),		HVAC (2x600TR) DG(4x150TR)	
FF System (Pumps & Engine)	KW/HP				Jockey 2x20HP, Sprinkler 1x100, Hydrant 1x100hp, Diesel engine 1x133 HP			Jockey 2x10HP, sprinkler 1x120, Hydrant 1x120 & Diesel engine 1x123 HP, diesel engine for water curtain 1x60HP & electric pump 1x60HP				
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic: 4 x 11 KW Flushing: 4 x 15 KW STP Flushing Pumps: 2 x 11 KW			Domestic: 2 x 15 KW Flushing: 2 x 15 KW			Domestic: 3 x 11 KW	Domestic: 2 x 11 KW	Domestic: 2 x 3 KW	Domestic: 3 x 7.5 KW	Flushing pumps are common for phase 2 towers (2x11KW)
STP Rating	KLD	850 KLD X 1 + 200 KLD X 1										
Warm Shell/ Bare Shell		Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell	Bare shell

Source: As provided by client



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

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

**Approvals Received**

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

**Approvals Pending**

Approvals for Future Development Area





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

Rate list of Tehsil Gurugram Proposed Rates for the year 2023 w.e.f.....)

Sr. No.	Huda Sectors	Rates for the Year of 2021-2022				Proposed Rates for the Year of 2022				Proposed Rates for the Year of 2023			
		Residential (Rs. Per Sq. Yards)	Commercial (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial/ Sco/Scf (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial/ Sco/Scf (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space Rs. Per Sq. Feet)
1	Sec- 42, 43	50000	165000	10000	7000	55000	165000	10000	7000	66000	198000	12000	8400
2	Sec-14, 15, 16, 17, 40	45000	150000	9000	6600	50000	150000	9000	6600	65000	181500	11000	8000
3	Sec-38,	40000	140000	8900	6300	45000	140000	8900	6300	54000	168000	11000	7500
4	Sec- 21,22, 22A, 23, 23A,	35000	140300	8600	6100	40000	140300	8600	6100	48000	168500	10500	7300
5	Sector 1, 2, 3, 3A, 4, 5, 6, 7, 12, 12A, 13	35000	135000	9000	6600	40000	135000	9000	6600	48000	162500	11000	7900
6	Sec-18, 19, 20,	NA	110000	9000	6600	NA	110000	9000	6600	NA	132000	11000	7900
7	Sec-25	NA	88000	9000	6600	NA	88000	9000	6600	NA	106000	11000	7900
8	Sector 104, 105, 106, 109, 110, 110A, 111, 112, 113, 114, 115	30000	100000	4500	3000	36000	100000	4500	3000	44000	120000	5400	3600

Joint Sub-Registrar  
Gurugram

Sub Registrar  
Gurugram

SDO (c)  
Gurugram

DRD  
Gurugram

Deputy Commissioner-cum-  
Registrar, Gurugram



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

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

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



## Annexure 9: Caveats & Limitations

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



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

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





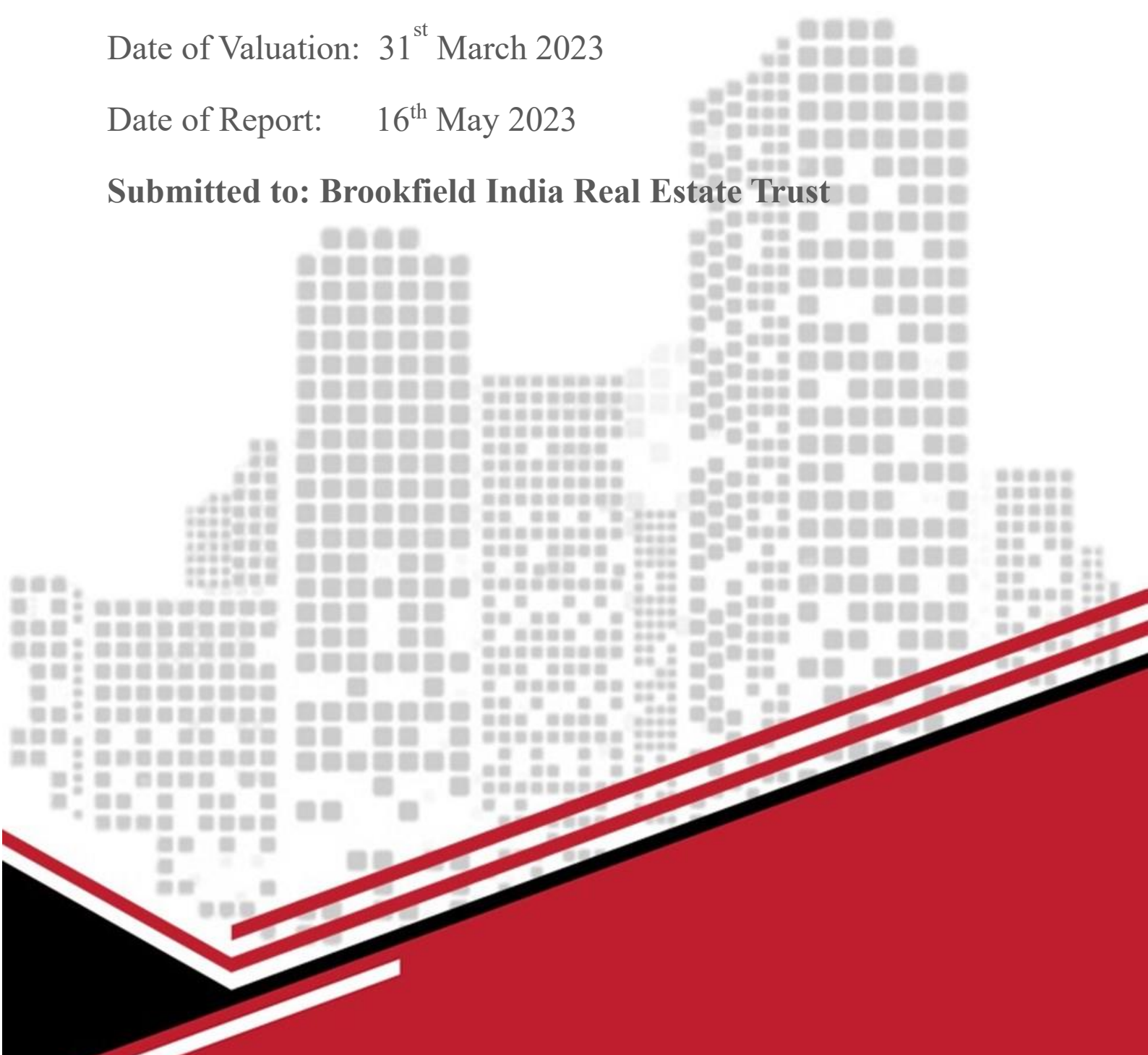
# **VALUATION REPORT**

## **Candor Techspace N1, Sector - 62, Noida, NCR**

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

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

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





## Disclaimer





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

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

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

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

## Executive Summary

<b>Candor Techspace IT/ITeS SEZ (N1), Sector - 62, Noida, Uttar Pradesh, India</b>		
<b>Valuation Date:</b>	31 <sup>st</sup> March 2023	 Block 1 of Subject Property
<b>Site Visit Date:</b>	30 <sup>th</sup> March 2023	
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion	
<b>Valuation Purpose:</b>	Disclosure of valuation of asset forming part of portfolio of Brookfield India Real Estate Trust in accordance with the SEBI (REIT) Regulations, 2014	 Block 2 of Subject Property
<b>Location / Situation:</b>	<p>Candor Techspace N1 (herein after referred to as N1 and/ or Subject Property) is located at Plot no. B2, Sector - 62, Noida, Gautam Buddha Nagar, one of the established IT/ITeS office destinations of Noida.</p> <p>The Subject Property is accessible via two roads viz. 30-meter-wide sector road towards West, which further connects to National Highway 9 (erstwhile NH 24) on North and a 45-meter-wide internal road towards East.</p> <p>N1 is also well connected with other parts of the city through road and metro rail network. The Subject Property lies in close proximity to various office developments such as Stellar IT Park, Logix Cyber Park, Embassy Galaxy, 3C Green Boulevard, etc.</p>	
<b>Description:</b>	<p>N1 constitutes 9 buildings and can be segregated under Completed/Operational (with OC received) and future development buildings. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Block 1, 2, 3, 5, 6, 7 (Amenity Buildings (7) Block I and II) &amp; Block 8(Amenity Block III)</li> <li>Future development (2) : Block 4A and Block 4B</li> </ul> <p>The Completed buildings collectively admeasure 19,73,288 sq. ft.# of leasable area. Currently the committed occupancy in the Completed building is 96.19% *.</p> <p>Future Developments includes Block 4A and 4B having leasable area of 4,40,051 sq. ft. and 4,18,409 sq. ft. respectively. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. These Blocks are expected to be ready by Q2 FY 2027-28 (Block 4A) and Q2 FY 2026-27 (Block 4B).</p> <p>The Subject Property offers interactive spaces and other amenities including cafeteria, creche, convenience store, gymnasium, medical wellness centre, electrical vehicle charging station etc.</p>	 Block 8 of Subject Property
<b>Total Area:</b>	Total Plot Area: 19.250 Acres Completed Leasable Area#: 19,73,288 sq. ft. Future Development Leasable Area: 858,460 sq. ft. Total Leasable Area#: 28,31,748 sq. ft.	 Block 4A & 4B of Subject Property

Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

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

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



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

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

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 <sup>st</sup> March 2023	INR 21,271 Million	Indian Rupees Twenty-One Billion Two Hundred and Seventy-One Million Only
Future Development	31 <sup>st</sup> March 2023	INR 2,974 Million	Indian Rupees Two-Billion Nine Hundred and Seventy-Four Million Only

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

**VALUATION FOR MARCH 2022 AND MARCH 2021**

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>
Completed Building	31 March 2022	INR 18,854 Million
Under construction / Future Development	31 March 2022	INR 2,475 Million
Completed Building	31 March 2021	INR 16,902 Million
Under construction / Future Development	31 March 2021	INR 3,219 Million

*Note: Market Value of the Subject Property for March 2022 and March 2021 by previous Valuer (Shubhendu Saha)*



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

**To: Brookfield India Real Estate Trust**

**Property: Candor Techspace N1, Sector - 62, Noida**

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

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

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”)**, has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Noida (hereinafter referred to as “Subject Property” and/or “Candor Techspace N1”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

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

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

L. Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&W”) from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining Cushman, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies





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

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

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

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

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

### **4 Purpose of Valuation**

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

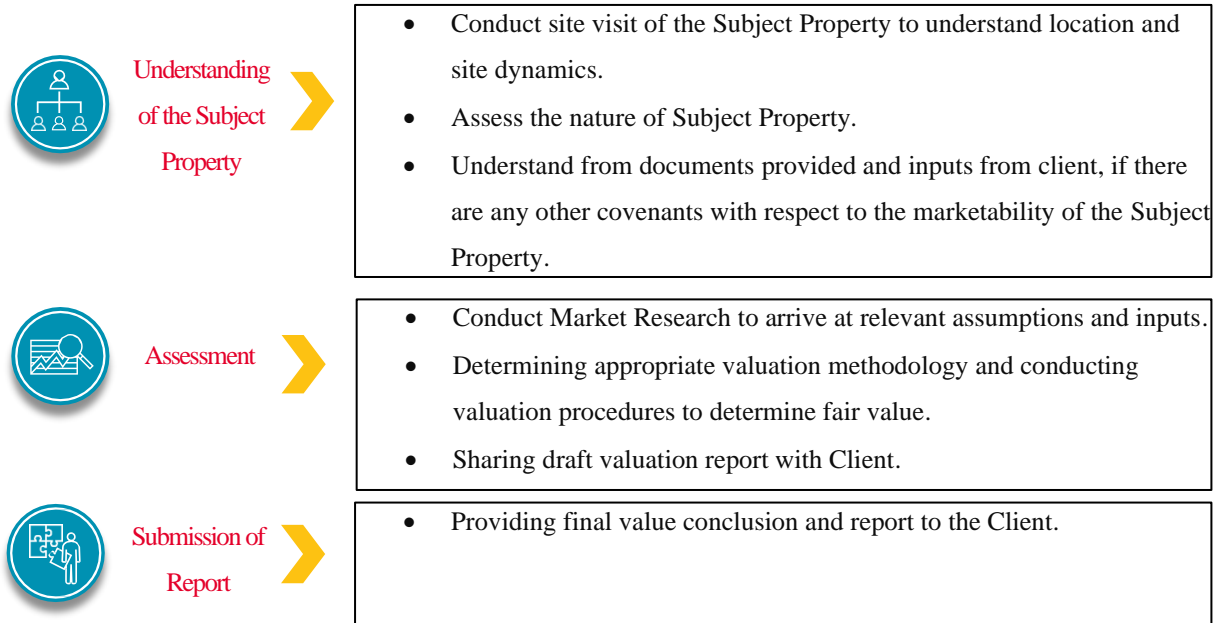
### **5 Basis of Valuation**

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

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



## 6 Valuation Approach & Methodology



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

### Discounted Cash Flow Method using Rental Reversion

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

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

## 7 Assumptions, Departures and Reservations

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



## **8 Inspection**

The Subject Property was inspected on 30<sup>th</sup> March 2023 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## **9 General Comment**

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

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

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

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

## **10 Confidentiality**

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

## **11 Authority**

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

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



any losses resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

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

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

## 13 Limitation of Liability

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

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

## 14 Disclosure and Publication

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



Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

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

Both Parties represents, warrants and undertakes that:

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

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

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



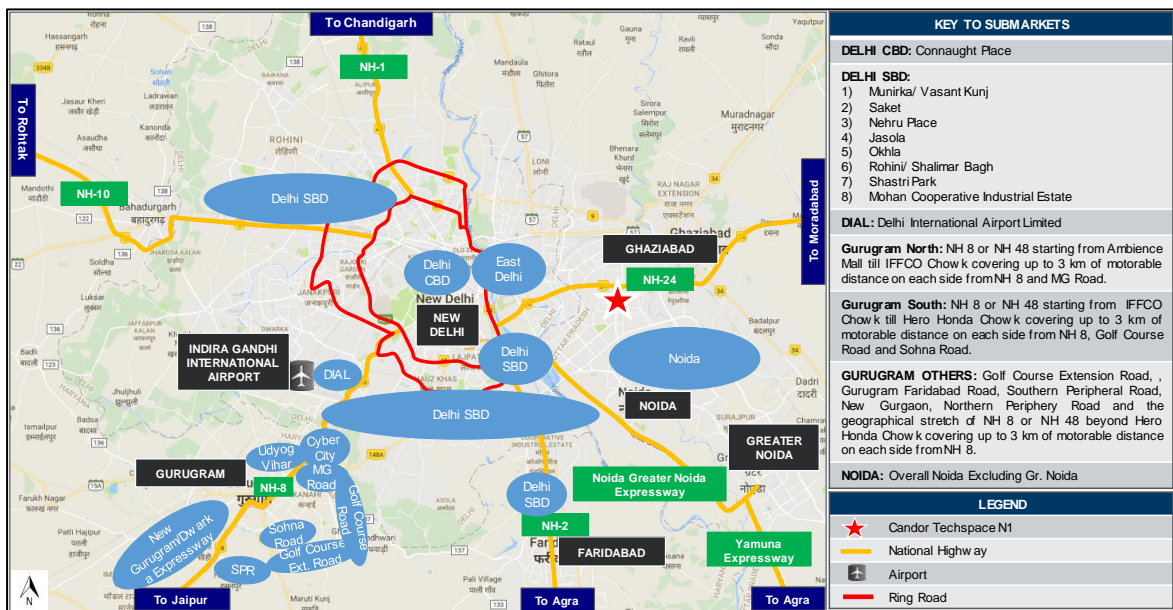
## **B National Capital Region Overview**

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

## 1 National Capital Region Overview

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

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



Source: Cushman and Wakefield Research

(Map not to scale)

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

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



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

Particulars	NCR overall	Delhi	DIAL	Gurugram	Noida*	Sector - 62, Noida^
<b>Total Completed Stock till Q1 2023 (msf)</b>	88.09	3.29	1.37	61.01	22.43	6.91
<b>Current Occupied Stock till Q1 2023 (msf)</b>	67.88	2.43	1.23	48.08	16.15	6.29
<b>Current Vacancy Q1 2023 (%)</b>	22.94%	26.04%	10.03%	21.19%	28.01%	8.99%
<b>Avg. Annual Absorption - 2015 - Q1 2023 (msf)</b>	3.59	0.15	0.14	2.41	0.90	0.23
<b>Future Supply - Q2 2023 E - 2025 E (msf)</b>	13.98	-	-	12.21	1.77	-
<b>Market Rent - Q1 2023 (INR psf / month)</b>	87.67	142.28	224.52	94.03	54.01	53.58
<b>CAGR for Market Rent (2015 - Q1 2023)</b>	1.86%	0.92%	4.55%	2.03%	3.93%	5.60%

Source: Cushman and Wakefield Research

Notes:

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



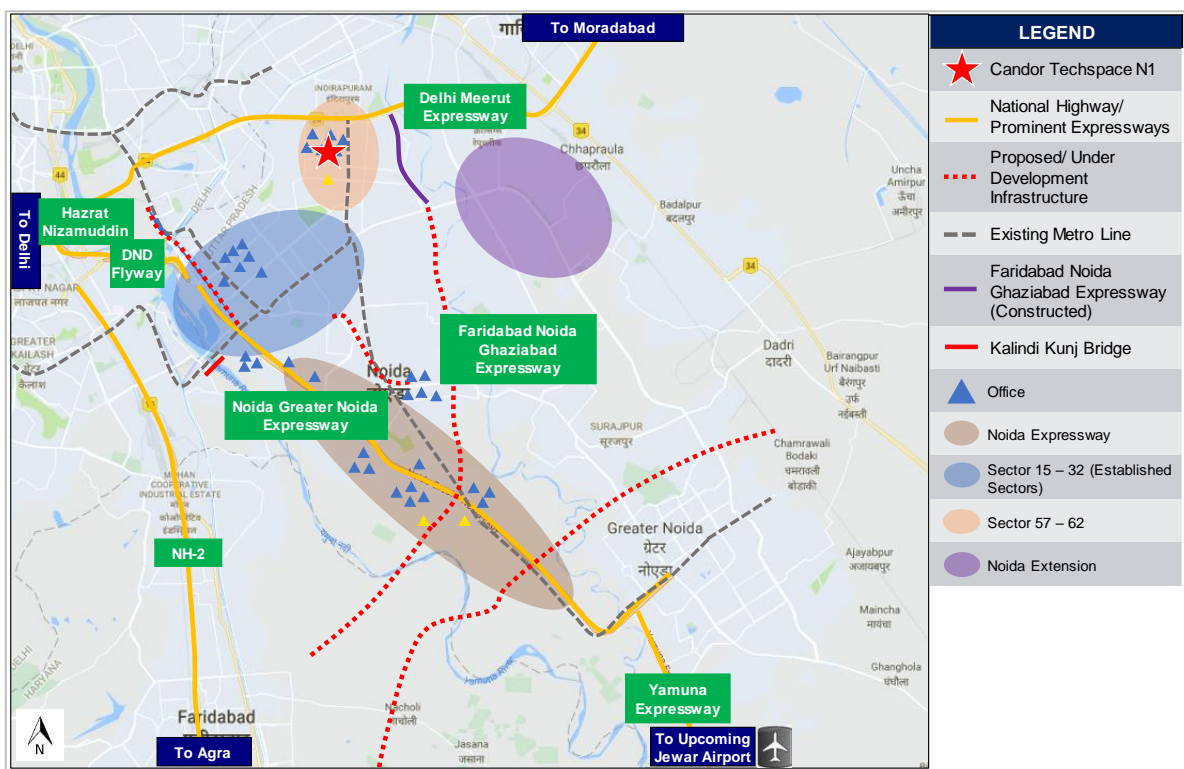


## 2 Brookfield India REIT’s City Market - Noida

Candor Techspace N1 is a Grade-A asset, developed on a leasehold land parcel, located in Noida city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

Noida, located in the State of Uttar Pradesh, is an integral part of the NCR. It is a planned city located in Gautam Buddha Nagar district. Further, it is located at about 25 km South-East of Central Delhi and can be accessed from Central Delhi via: Delhi - Noida Direct (DND) Flyway or Toll Bridge; Sarita Vihar or Kalindi Kunj Road; and the Nizamuddin Flyover. It is bound on the West and South-West by the Yamuna River and on the North-East by Ghaziabad.



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

The primary office clusters in Noida are concentrated towards sector 16, 18, 32 and 57 - 65 and on the belt running along Noida Expressway. The office developments in these sectors constitute a mix of investment grade and sub investment grade developments. Noida Expressway primarily constitutes investment grade developments. Sector 16, 18, 32 houses commercial developments, however the other two office clusters predominantly offer IT / ITeS and SEZ developments. To name a few, established players like Brookfield, Blackstone, Logix Group and Advant etc. have their footprint in Noida. Along with prominent office spaces, Noida Expressway has recently become a hub for international schools as well. Some well known schools operational on NGN Expressway are Lotus Valley International School, Gyanshree School, Mayoor School, Pathways International, Amity International etc.





Traditionally, retail cluster in Noida had remained confined to Sector 18 which is also known as the “Atta Market”. The Sector 18 market is also the main high street retail destination of Noida. Gradually, as the development activity in the city progressed a number of malls got developed in sector 16, 18 and 32. Few of the prominent retail malls in the city are Great India Place, DLF Mall of India (one of the largest in NCR with leasable area of approximately 2 million sq. ft.), Centre Stage Mall, Gardens Galleria, Spice Mall, Logix City Center Mall etc. ~ together, all these retail malls contribute to a significant percentage of organized retail supply of the city.

Residential supply of the city can be divided under established and upcoming sectors. The established sectors of Noida such as 14, 15, 21, 22, 45, 55, 56, etc. constitute plotted developments through government or unorganized players and high-rise developments primarily under cooperative group housing schemes. Central Noida, comprising sectors 72 - 79, the sectors along the under-construction FNG expressway and sectors in Noida Extension are highly dense sectors. Hence, most of the projects in these micro markets comprise high-rise group housing projects. These sectors are being developed by organized players/ developers and primarily cater to Middle Income Group. The sectors along Noida - Greater Noida Expressway have residential projects along both sides. Residential developments in this micro market comprise both plotted developments and high-rise group housing projects. These sectors are being developed by organized players/ developers and cater to all segments viz. Middle-Income Group, Upper Middle-Income Group and High-Income Group.

With approx. 25,000 students graduating every year, Noida has ample talent pool to cater the office occupants present in the city. Amity University, Jaypee Institute of Information & Technology and Sharda University are few of the renowned educational campuses present in Noida.

Noida has been divided into three micro markets:

- Sector - 62, Noida - refers to the Northern part of Noida, abutting NH 24 and covering the surrounding sectors of 57, 58, 59 and 60 towards South and sectors 63 and 64 towards East
- Noida-Greater Noida (NGN) Expressway - refers to the geographical expanse of NGN expressway
- Rest of Noida - refers to office clusters in Sectors 16 - 18, Sectors 32 - 34 and Greater Noida West

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

- **Connectivity and linkages:** Noida is well connected to other nodes of NCR via. Robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work. Noida is the only city in NCR where the physical infrastructure was planned ahead of real estate development. Hence, the city enjoys superior physical infrastructure and planned architectural layout.
- **Lower occupation cost:** Noida has availability of residential and office spaces with rentals and capital values significantly lower than those of Gurugram and Delhi. Hence, the city stands out as it offers quality living at a much lower occupation cost.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** Noida is accessible through multiple modes of transportation and offers residential spaces across various price categories; it attracts talent pool from all adjoining locations.



## 2.2 Key Statistics - Noida

Particulars	Details
<b>Total Completed Stock (Q1 2023)</b>	Approximately 22.43 msf
<b>Current Occupied Stock (Q1 2023)</b>	Approximately 16.15 msf
<b>Current Vacancy (Q1 2023)</b>	Approximately 28.01%
<b>Avg. Annual Net Absorption (2015 - Q1 2023)</b>	Approximately 0.90 msf
<b>Future Supply (Q2 2023E - 2025 E)</b>	Q2-Q4 2023E: Approximately 1.20 msf 2024E: Approximately 0.57 msf 2025E: NIL

Source: Cushman and Wakefield Research

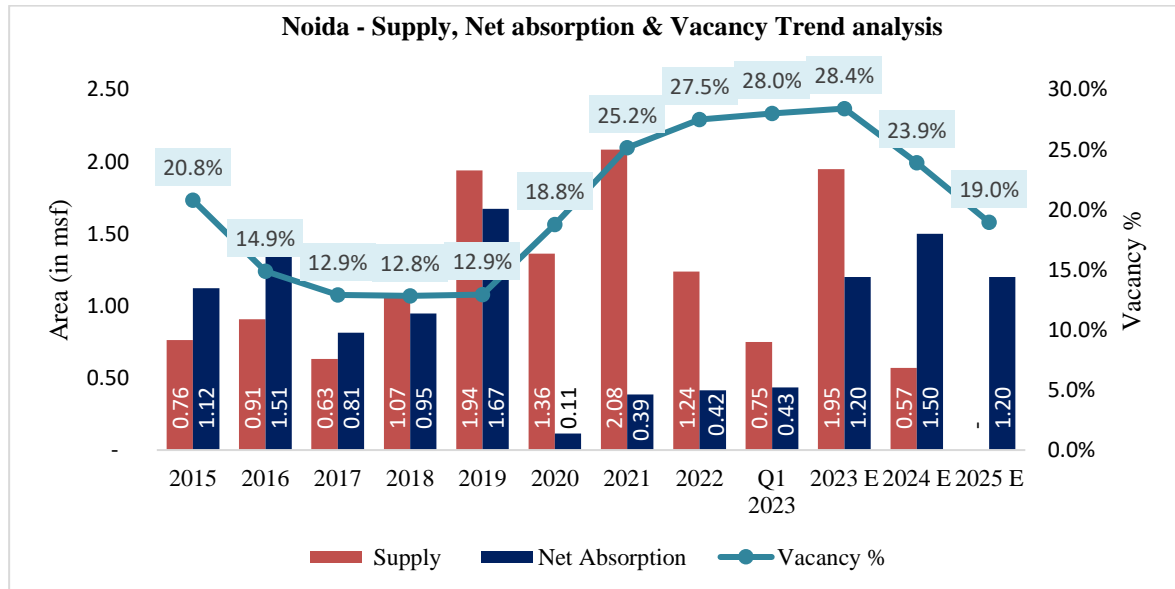
Notes:

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



### 2.3 Supply, Absorption and Vacancy

The supply, absorption and vacancy trend for Noida is as follows:



Source: Cushman and Wakefield Research

Notes:

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

Noida has emerged as a preferred IT / ITeS destination over the years due to excellent physical infrastructure, affordable rentals and availability of large office spaces. The growth is backed by availability of large talent pool and residential spaces across all price points. The overall perception of Noida has also evolved as an office destination.

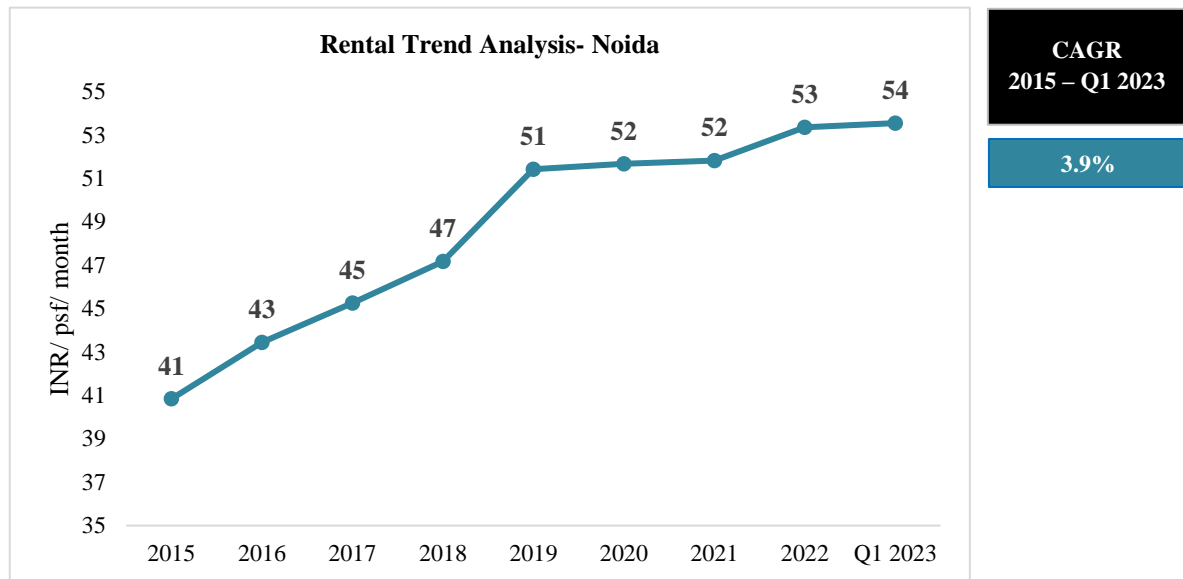
Noida over the past 8.25 years has seen an average additional supply of approximately 1.30 msf and an annual average net absorption of approximately 0.90 msf. Noida has always benefited from the presence of superior infrastructure as compared to other cities of NCR. With improvement in intercity connectivity, and quality developments, the absorption is likely to go in the upward direction.

The shift in development status of the city from being dominated by sub-investment grade structures to good campus / large integrated park-based development has resulted in the city to grow exponentially in office segment. With increasing occupier base, and major infrastructure getting developed viz. Jewar Airport in Noida, the same trend is likely to continue in future.



## 2.4 Rental Trend Analysis

The rental trend for Noida is as follows:



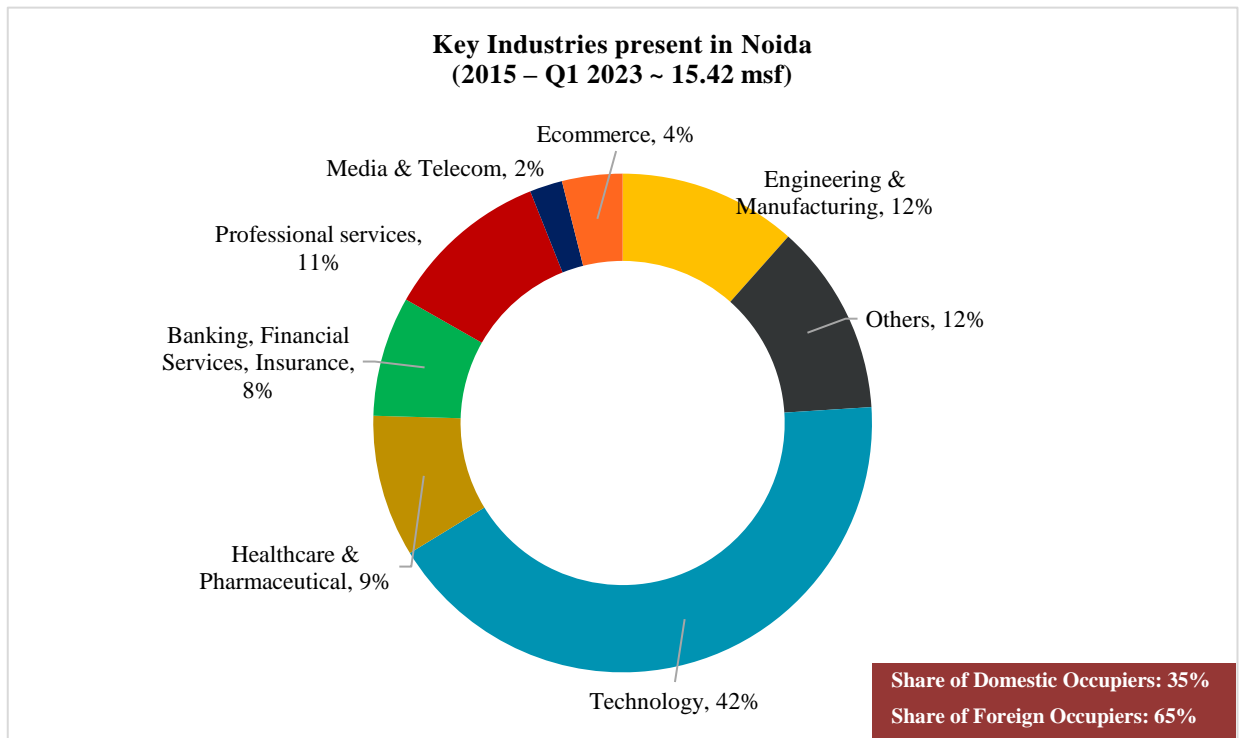
Source: Cushman and Wakefield Research

### Notes:

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

Established micro markets of Gurugram reaching saturation which results in benefiting the Noida micro markets because of their quality workspaces available at competitive rentals. Further, with new infrastructure initiatives viz. Airport at Jewar, the trend is likely to continue in future. The Brookfield India REIT's City Market has shown continuous growth in the market rental with CAGR of 3.9% from 2015 to Q1 2023.

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



Source: Cushman and Wakefield Research

Notes:

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

Noida's office supply (which is predominantly IT/ITeS & SEZ in nature) is dominated by Technology occupiers contributing 42% to the overall demand. The other prominent industries contributing 29% to the demand are Engineering & Manufacturing (12%), Professional Services (11%) and BFSI (8%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace) . The mix of foreign and domestic occupants in Noida is 65:35.



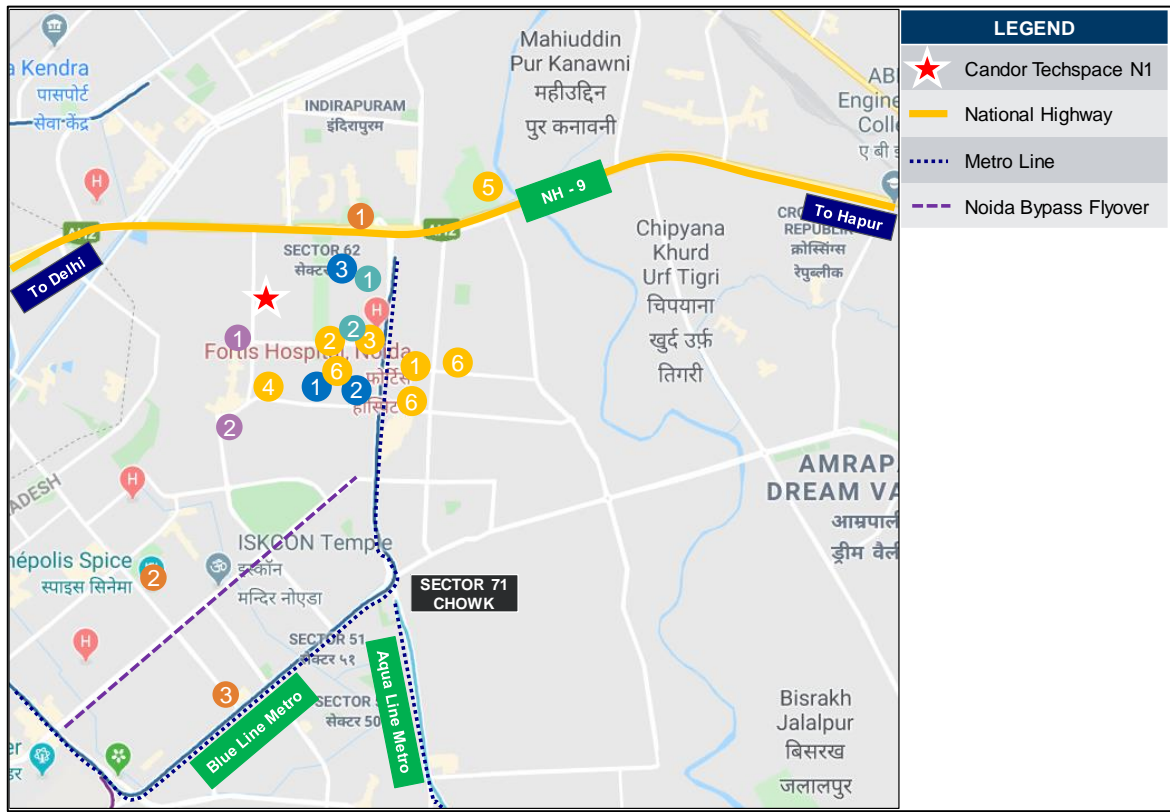
### **3 Sector - 62 - Competitive REIT Micro Market**

#### **3.1 Overview**

As per Noida master plan 2031, Sector-62 is zoned as institutional sector. The Competitive REIT Micro Market is located in northern part of Noida and abuts NH - 24. The surrounding sectors of the Brookfield India REIT micro markets are sector 57, 58, 59 and 60 towards South and sector 63 and 64 towards East. Further, it shares its boundaries with Village Khora and Sector - 62 A towards West.

Sector - 62 is characterized by the presence of large public and private sector institutions like Indian Academy of Highway Engineers, The Institute of Chartered Accountants of India, Jaipuria institute of Management, Jaypee Institute of Information Technology, Symbiosis Law School, Bank of India Staff Training College and Indian Institute of Management, Lucknow (Noida Campus). In terms of office space, Sector - 62, Noida constitutes a mix of investment grade and sub-investment grade structures. Further, the office supply is primarily IT/ ITeS in nature. Few of the prominent IT/ITeS developments in the Competitive REIT Micro Market are Candor Techspace N1, Knowledge Boulevard & Green Boulevard, Stellar IT Park, Logix Cyber Park, Embassy Galaxy IT Park, Okaya Blue Silicon etc. Candor Techspace N1 is one of the largest IT / ITeS developments in Sector - 62 in terms of leasable area.

**3.2 Social and Physical Infrastructure**



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

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

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Stellar IT Park (1.6 km)	1. Global Business School (3.2 km)	1. Shipra Mall (3.5 km)	1. Trapezoidal Tower B (2.3 km)	1. Park Ascent Hotel (1 km)	1. Jaypee Institute of Information & Technology (2.3 km)
2. Logix Cyber Park (1.2 km)	2. KLAY Prep School and Day-care (1.6 km)	2. Spice Mall (5.2 km)	2. Corenthum Iconic Tower (3.4 km)	2. Radisson Noida (2.6 km)	2. JSS Academy of Technical Education (1 km)
3. Galaxy Business Park (1.6 km)	3. Fortis Hospital (2.0 km)	3. Logix City Center (7.7 km)			
	4. Ashirwad Hospital (1.7 km)				
	5. SJM Hospital & IVF Centre (5.4 km)				



Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/ Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
	6. Day Cares (1.5 km)				

National Highway - 9 (Erstwhile NH - 24) is the primary road connecting Competitive REIT Micro Market to rest of Delhi NCR. Widening of NH - 9 (which is under construction) and development of signal free elevated corridor from Nizamuddin in Delhi up till UP border on NH 9 (currently operational) has significantly enhanced the connectivity of Sector - 62 with rest of NCR. The Competitive REIT Micro Market is also connected through blue line of Delhi Metro Rail. The nearest metro station is Sector – 62 metro station, which is at a distance of approximately 2 km from the Subject Property. Further, Sector - 62 enjoys a signal free connectivity from Sector 18 Noida (through underpass at Sector 18 which joins to a 4.8 km elevated corridor from Sector 28 up till Sector 61). This has significantly improved traffic and vehicular movement for commute to Sector - 62.

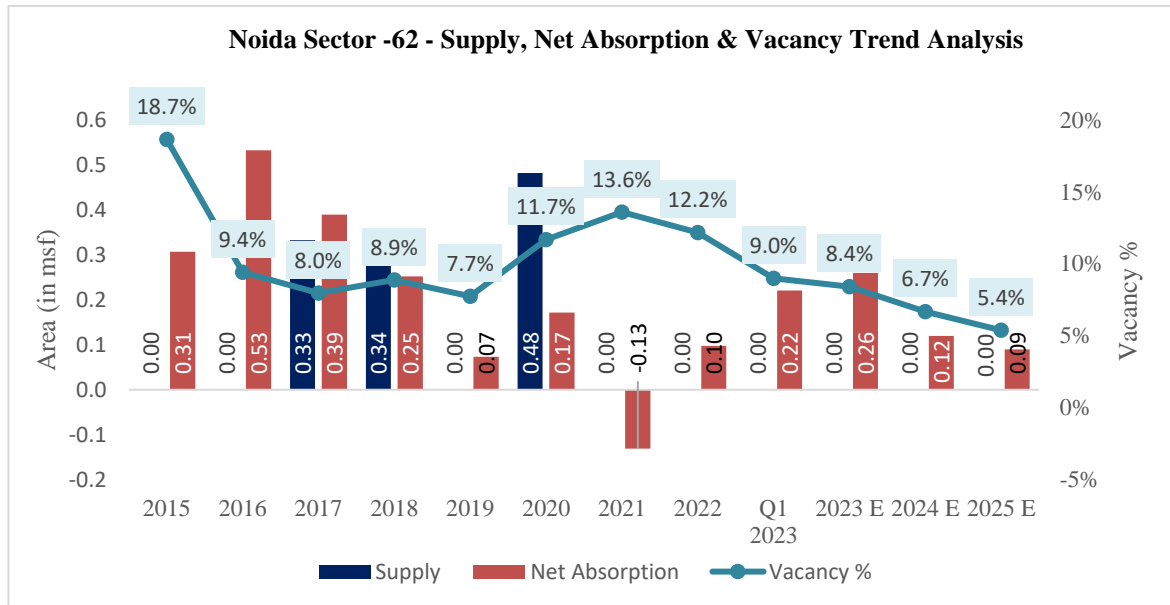
Additionally, the 750-meter-long underpass in Sector 71 further brings traffic relief to those travelling from Noida Extension towards Noida City Centre and going further towards Delhi.





### 3.3 Supply, Absorption and Vacancy analysis

The supply, absorption vacancy trend analysis for Sector - 62, Noida are as follows:



Source: Cushman and Wakefield Research

Notes:

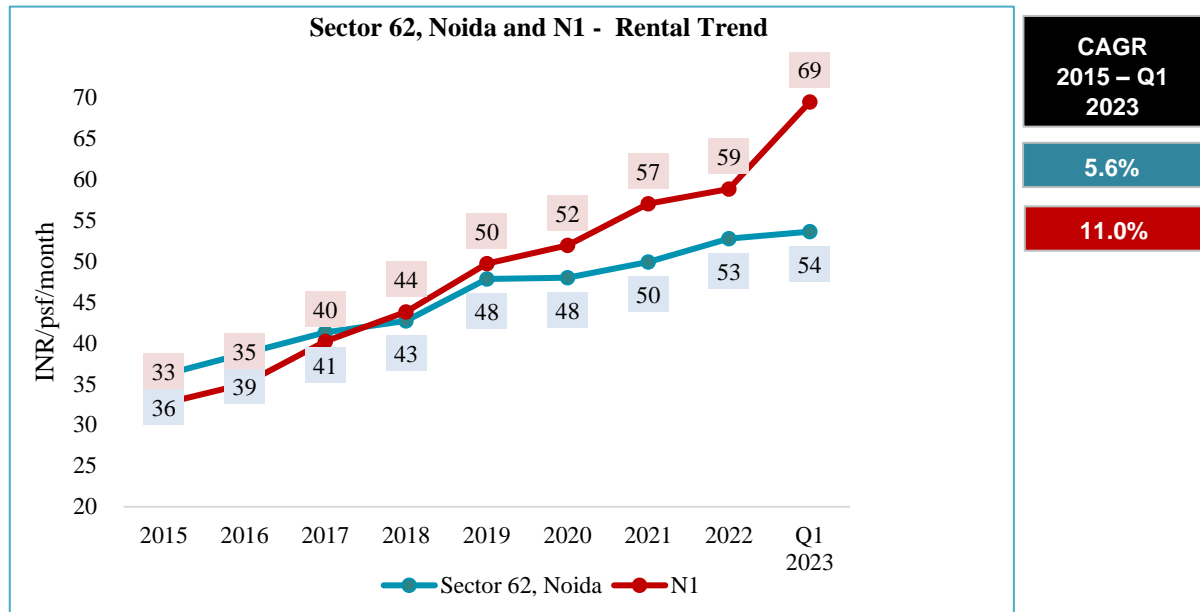
1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future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

The demand in Sector - 62 is dominated by technology occupiers and therefore, large space take-ups constituting space consolidation / expansion is a norm for the micro market. Thus, a single tenant activity at any time period creates substantial impact in this micro market's parameters. As Noida continues to attract the technology sector, the Competitive REIT Micro Market is expected to have consistent net absorption levels for the next 2-3 years.



### 3.4 Rental Trend Analysis

The rental trend analysis for Sector - 62, Noida and the Subject Property is as follows :



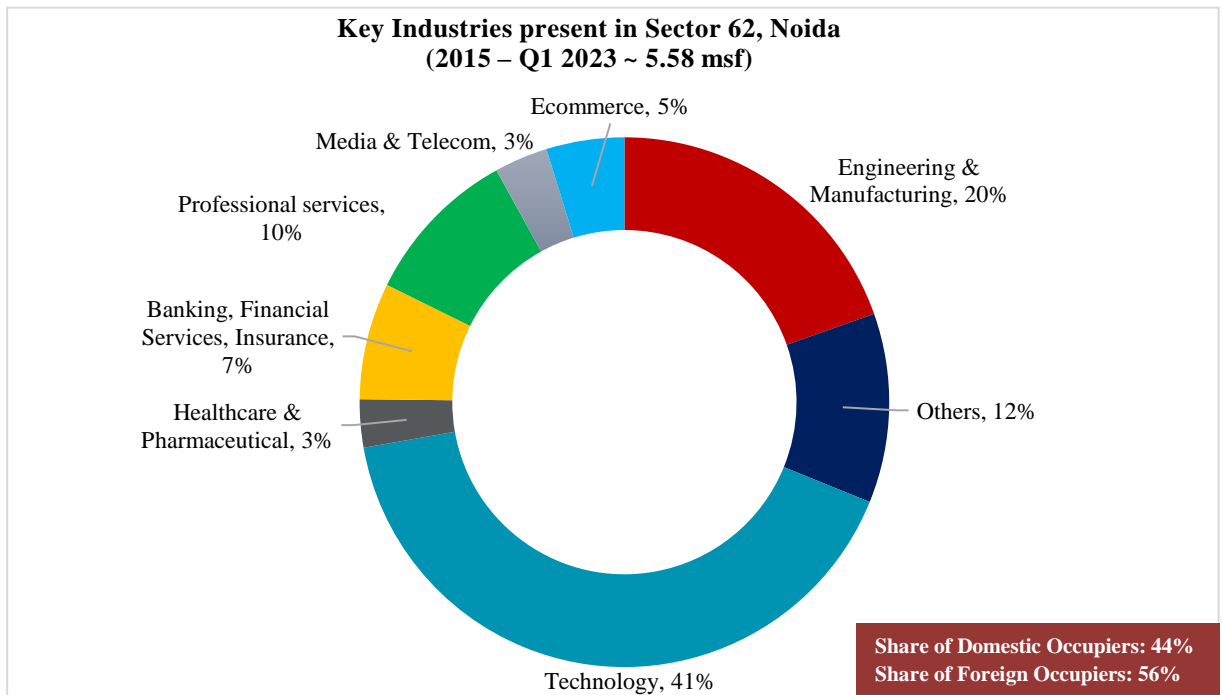
Source: Cushman and Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals for Candor Techspace N1 have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants, which happened at improved efficiency and the same has been adjusted to asset level efficiency.
4. Rentals presented above are weighted average values on completed stock.

The graph above represents the rental growth rate of N1 versus entire cluster. The analysis suggests that N1 has witnessed a rental growth of 11%, as compared to a growth of 5.6% in the Competitive REIT Micro Market over the same period. The difference in rental growth also illustrates occupiers' willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.

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



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were not considered for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of Noida, Sector - 62 relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Sector - 62 is dominated by technology sector which contributed 41% to the leasing activity for the period 2015 - Q1 2023. The tenants are attracted to the Competitive REIT Micro Market due to availability of larger floor plates, affordable rentals and good connectivity. The technology occupiers in this micro market are involved in the activities of software development, research and development etc. The other prime contributors to the demand are Engineering & Manufacturing (20%), Professional Services (10%), BFSI (7%) and E-Commerce (5%) together contributing 42%. The mix of foreign and domestic occupants in Sector - 62, Noida is 56:44.



#### **4 Market Outlook**

Sector - 62, Noida comprises some of the well-established office developments i.e. Subject Property, Stellar IT Park, Embassy Galaxy IT Park, Okaya Blue Silicon etc.

The Competitive REIT Micro Market has been observing a declining vacancy trend since CY 2021 owing to limited supply addition. Since CY 2016 till CY 2019 the Competitive REIT Micro Market witnessed range bound vacancy levels between ~8% to 9%. As on Q1 2023, the vacancy of the Competitive REIT Micro Market is 9% with 0.22 msf of net absorption. The same is further expected to dip to ~5% on account of no future supply coming in the Competitive REIT Micro Market till 2025E and continuous traction from occupiers.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 54 per sq. ft./m. and it may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.

The Subject Property has witnessed a rental CAGR of 11%, as compared of 5.6% in the Competitive REIT Micro Market over the same period.

Preference for work from home has been reduced significantly and many organisations have started calling their workforce back to office. Considering the well-maintained infrastructure, key location, improved connectivity (through sector 71 underpass and expansion of Delhi Metro Corridor) and increasing trend of return to office, the annual growth rate of 5 to 6% in market rentals over medium to long term appears achievable for the Subject Property.

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



## **C SUBJECT PROPERTY REPORT**



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

Address:	Plot no. B2, Sector - 62, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201301, India
Ownership and Title details:	Land tenure: Leasehold; and buildings thereupon are owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT

Source: Client Information

The tenure of the underlying land of the Subject Property is leasehold with lessee being New Okhla Industrial Development Authority (NOIDA Authority). The remaining tenure of the land is ~75 years. Given that the purpose and obligations associated with lease of the underlying land has essentially been achieved, the likelihood of lease getting cancelled or not renewed at the end of the tenure is negligible. Thus, no specific adjustments are required to be made towards the legal tenure of underlying land's ownership.

### 1.1 Encumbrances

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

### 1.2 Revenue Pendencies

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

### 1.3 Material Litigation

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

## 2 Location

### 2.1 General

The Subject Property is located in Block B, Industrial Area, Sector - 62, Noida. As per Noida master plan 2031, Sector-62 is zoned as an institutional sector. The Subject Property is accessible via 30-meter-wide sector road towards West, which connects to NH - 9 (erstwhile NH - 24) on North and a 45-meter-wide internal road towards East. NH - 9 is the main connecting road, connecting Noida to other cities of NCR. Widening of NH - 9 (which is converted to a 16 lane expressway providing dedicated 8 lanes on the main carriage way and additional 8 lanes for transit traffic to the city nodes) and development of signal free elevated corridor from Nizamuddin in Delhi up till UP border on NH - 9 (currently operational) has significantly enhanced the connectivity of Competitive REIT Micro Market with the rest of NCR.

Sector - 62 is located in the northern part of Noida and abuts NH - 24. The surrounding sectors of the Brookfield India REIT micro markets are 57, 58, 59 and 60 towards South and sector 63 and 64 towards East. Further, it shares its boundaries with Village Khora and Sector - 62 A towards West. Also, the Subject Property enjoys good connectivity from Sector 18 Noida (the city centre of Noida) through underpass at Sector 18, which joins to a 4.8 km elevated corridor from Sector 28 up till Sector 61.

The Subject Property lies in close proximity to Sector - 62 Metro Station, which further enhances its accessibility from different parts of NCR.

The Subject Property is also located in proximity to established residential vectors such as Vaishali, Indirapuram etc which offer a wide range of affordable to high end housing options.

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





*Source: Cushman and Wakefield Research*

*(Map not to scale)*

**Site Boundaries:**

The site boundaries for the Subject Property are as under:

- North: IIM Lucknow Noida Campus
- East: Access Road & Developed Commercial Formats
- West: Access Road & Village Khora
- South: Commercial Office Space

## **2.2 Accessibility**

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

- Approximately 01 km from NH 24
- Approximately 03 km from Noida Sector - 62 metro station.
- Approximately 07 km from Sector 18, Noida (Noida CBD)
- Approximately 10 km from DND Expressway
- Approximately 16 km from Connaught Place (Delhi CBD)
- Approximately 16 km from New Delhi Railway Station
- Approximately 32 km from Indira Gandhi International Airport

## **2.3 Ground Conditions**

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

## **2.4 Environmental Considerations**

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

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

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

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





### 3 Subject Property - Asset Description

The Subject Property constitutes 9 buildings and can be segregated under two components viz. completed and future development buildings. The listing of buildings under each component is as follows:

- **Completed buildings with Occupancy Certificate (OC) received** - Block 1, 2, 3, 5, 6, 7 (Amenity Block I and II) and Block 8 (Amenity Block III)
- **Future development buildings** - Block 4A and 4B.

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

Particulars	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date
Block 1	2,79,805	11	25,437	Completed	NA
Block 2	3,93,987	13	30,307	Completed	NA
Block 3	3,35,606	13	25,816	Completed	NA
Block 5	5,07,254	15	33,817	Completed	NA
Block 6	3,37,679	13	25,975	Completed	NA
Block 7 (Amenity Block I)	25,886	1	25,886	Completed	NA
Block 7 (Amenity Block II)	13,310	1	13,310	Completed	NA
Block 8 (Amenity Block III)	79,761	3	26,587	Completed	NA
Block 4A	4,40,050	15	29,337	Future Development	Q2 FY 2027-28
Block 4B	4,18,409	15	27,894	Future Development	Q2 FY 2026-27
<b>Total</b>	<b>2,831,748</b>		<b>27,705</b>		

Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), Rent Roll as at 31<sup>st</sup> March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

### 3.1 Key Asset Information

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

Particulars	Details
<b>Entity:</b>	Shantiniketan Properties Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Shantiniketan properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT <sup>1</sup>
<b>Age of building based on the date of Occupancy Certificate:</b>	Block 1 - 12 years and 2 months Block 2 - 12 years and 2 months Block 3 - 5 years and 10 months Block 5 - 2 years 7 months Block 6 - 4 years and 3 months Block 7 (Amenity Block) - 4 years and 9 months Block 7 (Extension Amenity Block) - 1 year 3 months Block 8 - 1 year and 3 months
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida Sector - 62
<b>Approved and Existing Usage:</b>	IT/ITeS
<b>Land Area (acres):</b>	~19.250
<b>Freehold/Leasehold:</b>	Leasehold Land
<b>Leasable Area<sup>#</sup>:</b>	19,73,288 sq. ft.
<b>Occupied Area:</b>	18,98,035 sq. ft.
<b>Committed Occupancy (%)*</b>	96.19%
<b>Current Effective Rent (excluding parking)</b>	~INR 51 per sq. ft. per month (Office tenants only)
<b>Current Effective Rent (excluding parking)</b>	~INR 49 per sq. ft. per month (Office, Retail and Telecom tenants)
<b>Number of Tenants</b>	28 (office)

Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), Rent Roll as at 31<sup>st</sup> March 2023, Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client information.

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

Note:

Refer company structure set out in Annexure 2

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



**Future Development - Block 4A**

<b>Particulars</b>	<b>Details</b>
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q2 FY 2027-28
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	Noida Sector - 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	4,40,051 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), and Client Information*



**Future Development - Block 4B**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q2 FY 2026-27
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	Noida Sector - 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	4,18,409 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), and Client Information



### 3.2 Subject Property Inspection

<b>Date of Inspection :</b>	The Subject Property comprising 7 operational buildings along with two future development areas was physically inspected on 30th March 2023.
<b>Inspection Details :</b>	<p>The inspection comprised of visual inspection of :</p> <ol style="list-style-type: none"> <li>a. Operational buildings</li> <li>b. Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>c. Area provisioned for Future development.</li> </ol>
<b>Key Observations :</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open / green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li>• <b>Completed/ Operational Buildings:</b> <p>The operational buildings in the campus are Block 1, 2, 3, 5, 6, 7 and Block 8 with OC received collectively admeasuring 19,73,288 sq. ft. of leasable area.</p> <p>The operational buildings comprise of:</p> <ol style="list-style-type: none"> <li>a. Office : Five Blocks i.e., 1, 2, 3, 5 and 6, having total leasable area of 18,54,331 sq. ft. are occupied by multiple tenants. Major tenants in these blocks are Barclays, Amazon, Innovaccer Analytics and Landis.</li> <li>b. Amenity Blocks: Block 7 includes Amenity Block I &amp; II having total leasable area of 39,196 sq. ft. It constitutes retail area catering to all basic requirements of occupiers viz. F&amp;B (in the form of multi-cuisine food court), 24x7 paramedics, Day Care Centre, bank ATM, salon, convenience store, pharmacy etc. BlueChip is the major tenant in Amenity Block I and Ipsaa &amp; Jubilant in Amenity Block II.</li> </ol> <p>Block 8 (Amenity Block - III) is having leasable area of 79,761 sq. ft. It offers a separate F&amp;B hub and shall be open to public along with inhouse occupiers. At the time of inspection, upgradation work in Block 8 was in progress. Major tenants in this Block are Smaaash Entertainment, Anardana Hospitality Private Limited. Some F&amp;B tenants including Malabar Coast, Dhaba, The Beer Café, Mamagoto and Haldiram's will start their operation in next two to three months.</p> </li> <li>• <b>Future development:</b> <p>The Future Development includes two buildings which are Block 4A and Block 4B, having leasable area of 4,40,051 sq. ft. and 4,18,409 sq. ft. respectively. The same are expected to be completed by Q2-FY 2027-28 and Q2-FY 2026-27 respectively.</p> </li> </ul>	



#### **Other Amenities**

- The Subject Property has separate lift and lobby areas on each floor of the buildings present in the campus. Also, there is an arrangement of other utilities like LT room, LMRs, BMS, DG sets, pump rooms and solar panels which are available in basement/ lower ground floors and on terrace of the buildings.

#### **Awards & Certifications**

- N1 has been awarded 5- Star rating by the Bureau of Energy Efficiency (BEE) in addition to the group wide ISO 9001, 14001 and OHSAS 18001 Certification, Bureau Veritas Safeguard Label certified, IGBC Platinum-rated, ISO 50001:2018 Energy Management certification, British Safety Council 4-star rated campus.

#### **Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 4,195 (including future developments) parking spaces.

#### **Other Observations**

- The Subject Property has two entry and two exit points which are managed according to the campus traffic circulation plan.
- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- The utility areas also appeared well maintained, visually.
- No instances of any major logging or water accumulation were observed during the inspection.

Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), Rent Roll as at 31<sup>st</sup> March 2023

Note:

- The Subject Property inspection did not comprise any structural survey, technical / engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.*
- The increase in leasable area is due to change in efficiency .*



### 3.3 Investigation and nature and source of information

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

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

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

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

Architect's Certificates (Dated: 5<sup>th</sup> May 2023) mentioning site areas and Subject Property areas.

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

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

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

Management representation regarding the following:

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

Statement of Assets

Revenue pendency, if any

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

### 3.4 Tenant Profile

As of 31<sup>st</sup> March 2023, the Subject Property's top 10 tenants account for ~65% of the leased area and ~64% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Barclays	3,99,157
2	Amazon*	1,88,564
3	Innovaccer Analytics	1,12,121
4	Landis	1,01,691
5	ION Trading	87,655
6	Pine Labs	82,837
7	Artech Infosystems	77,146
8	Mindtree	65,808
9	Xceedance	62,474
10	Pentair	57,541
<b>Total</b>		<b>12,34,993</b>

Source: Rent Roll as at 31 March 2023 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Barclays	19%
2	Amazon	10%
3	Innovaccer	6%
4	Landis	6%
5	Artech	5%
6	Pine Labs	4%
7	ION Trading	4%
8	Mindtree	4%
9	Xceedance	4%
10	Markit India	3%
<b>Total</b>		<b>64%</b>

Source: Rent Roll as at 31 March 2023 and Client Information

\*Amazon includes area leased to Amazon Development Centre (India) Private Limited and Amazon Pay India Private Limited.





### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the Subject Property is 7.3 years, with ~36.10% of occupied area expiring between 2023 and 2026 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 31 March 2023 and Client Information

Notes:

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



## 4 Valuation Approach and Methodology

### 4.1 Asset-specific Review:

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

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

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

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

### 4.2 Micro-market Review:

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

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



### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the Subject Property. The steps given below were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:
  - Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.
  - Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
  - Step 3:** Computing the monthly rental income projected as part of Step 1 and 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year - considered for calculation of terminal value).
3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

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

## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 31<sup>st</sup> March 2023:

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

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	1,973,288
Area Leased	sq. ft.	1,898,035
Committed Occupancy*	%	96.19%
Vacant Area	sq. ft.	75,253
Vacancy	%	3.81%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	sq. ft.	25,921
Existing Lease Rollovers	%	100%
Rent Free Period - Existing Leases (First Year)	Months	1
Rent Free Period - New Leases	Months	4
Total Parking Slots	#	3,038
Estimated Leasing Period	# of quarters	2

Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), Rent Roll as at 31<sup>st</sup> March 2023

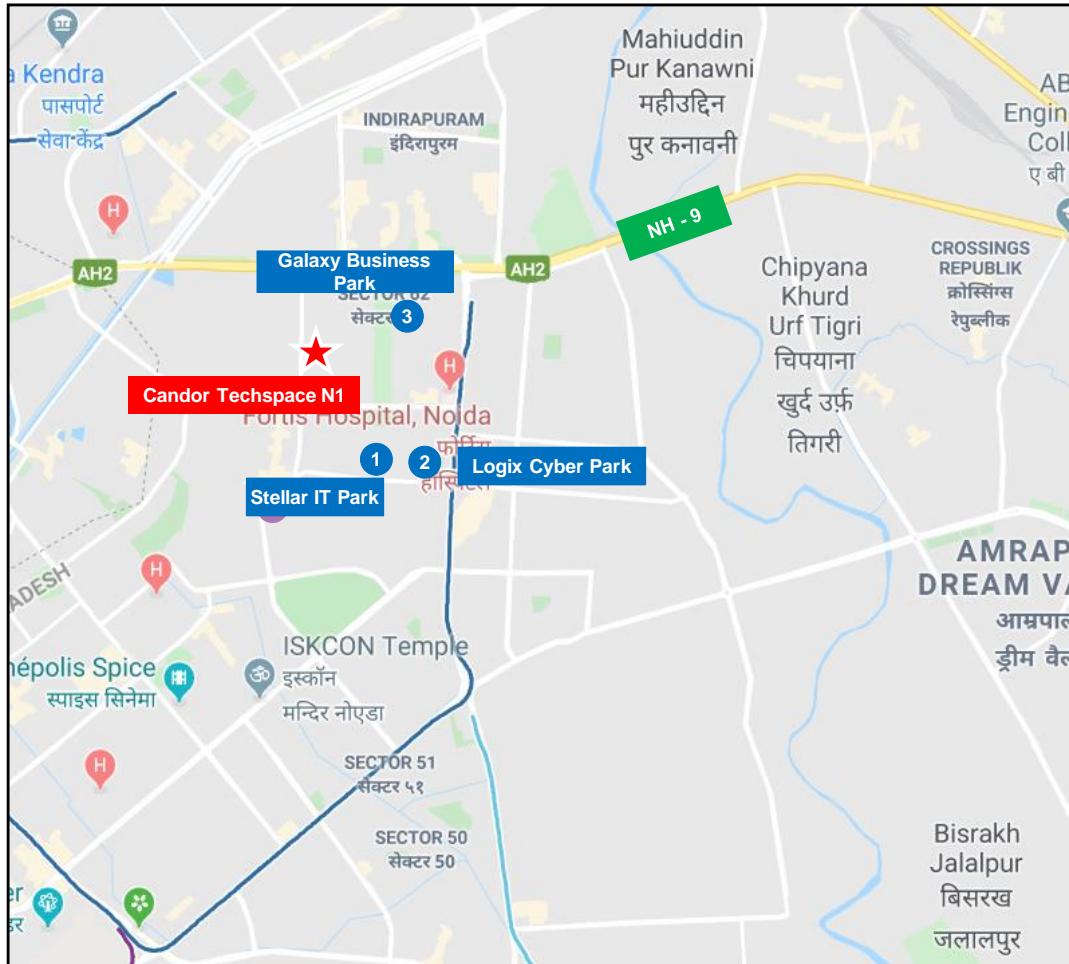
Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

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

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

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 - Q1 2023, the Sector - 62, Noida micro market has witnessed an average annual net absorption of approximately 0.23 msf.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.09 msf per annum till 2025.
  - Further leasing area of ~0.02 msf within 2 quarters from April 2023 has been assumed after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.

Subject Property and Relevant Existing Supply in the Sector - 62 Micro Market



Source: Cushman and Wakefield Research

(Map not to scale)

Note: Blue boxes signify existing supply



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 58.00
Achievable Market Rent- Retail (Base)	Per sq. ft. per month	INR 83.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 60.00
Achievable Market Rent - Retail (including Parking)	Per sq. ft. per month	INR 85.00
Other Income (on leasable area)	Per sq. ft. per month	INR 0.53
Rental Growth Rate (for FY'25 - FY'28)	% p.a.	6.0%
Rental Growth Rate (from FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate - Q3 FY 24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)*	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 7.20

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

- **Market rent - office:**

- Achievable market rent includes parking charges of INR 2 per sq. ft. per month (considering the parking rent of INR 3,000 per slot per month)
- In FY 2022-2023, approximately 0.32 msf was leased in the rental range of INR 46-90 per sq. ft. per month (including parking). Some of the office leases signed in FY 2023 are given below:

#### Lease Transactions FY' 2022-2023

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft./ month) Including Parking
Ajay vision	2023	32,242	63
Agnity	2023	35,715	62
Artech	2023	51,324	59
Xceedance	2023	35,715	59
Trangle Services	2023	11,675	63

*Source: Rent roll as at 31 March 2023 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view the future supply, which is very limited, enable the SEZ buildings to command a premium. Hence, it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 60 per sq. ft. per month (including parking charges).
- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5-6% in the medium to long term.

The occupiers have started evaluating their return to office strategy. However, as the same is likely to take some time to translate into demand for office space hence, we have considered an accelerated annual rental growth rate of 6.0% during FY'25 to FY'28 and 5.0% from FY'29 onwards.



- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the client. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'23 ranges from INR 6 -11 per sq. ft. per month. Further, the total CIOP expense for the period between 1<sup>st</sup> April 2023 - 31<sup>st</sup> March 2024 for the Subject Property is considered to be INR 55.08 Million and has been escalated at 8% annually for subsequent years. Thus, for the CIOP expense of the period, the tenants are charged INR 3.31 - 7.74 per sq. ft. per month, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 70% where it was more than 70%, when the area gets re-leased on expiry.



**Operating Cost Assumptions**

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	1 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Other Costs for vacant area for the property owner	Per sq. ft./month	INR 7.41
Land Lease Payment Rent	Per sq. ft./month	INR 0.32
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

*Note : General development expenditure of INR 92 million to be incurred on the Subject Property.*

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Lease Rent Payments:** The Subject Property being the leasehold property involves lease rent payments of INR 11.02 million per annum (as per the information provided by Client). It will be escalated by 50% in FY' 27.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.





### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

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

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

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

Source: Secondary Market Research

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

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



- **Discount Rate**

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

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

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



### Future Development

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

### Subject Property Details

Subject Property Details	Unit	Block 4A	Block 4B
Total Leasable Area	sq. ft.	440,051	418,409
Stabilized Vacancy	%	2.5%	2.5%
Existing Lease Rollovers	%	100%	100%
Rent Free Period - New Leases	Months	4	4
Total Parking Slots	#	1,157	
Estimated Leasing Period	# of quarters	10	8

Source: Architect's Certificate (dated: 5<sup>th</sup> May 2023), Rent Roll as at 31<sup>st</sup> March 2023

### Construction Related Assumptions

Construction Related Assumptions	Unit	Block 4A	Block 4B
Start Date of Construction	Month/Year	Oct-24	Oct-23
End Date of Construction	Month/Year	Sep-27	Sep-26
Total Construction Cost <sup>3</sup>	INR Million	2,266	2,002

\*Expected date of receiving occupancy certificate

#### Notes:

1. Reliance on Client inputs for the assumptions relating to construction.
2. The assumptions on cost to be incurred for future developments as well as for under construction projects are based on inputs provided from the client while applying independent professional judgement by the valuer.
3. Total Construction Cost includes cost of development of the common areas in the Subject Property.

### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent- Office (Base)	Per sq. ft. per month	INR 58.00
Achievable Market Rent- Retail (Base)	Per sq. ft. per month	INR 83.00
Achievable Market Rent - Office (including Parking)	Per sq. ft. per month	INR 60.00
Achievable Market Rent - Retail (including Parking)	Per sq. ft. per month	INR 85.00
Rental Growth Rate (for FY'25 - FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY'29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate - Q3 FY 24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP Margin)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 7.20



**Capitalization Rate and Discount Rate**

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

## 6 Market Value

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

Component	Market Value as on	In Figures	In Words
Completed Buildings	31 March 2023	INR 21,271 Million	Indian Rupees Twenty-One Billion Two Hundred and Seventy-One Million Only
Future Developments	31 March 2023	INR 2,974 Million	Indian Rupees Two Billion Nine Hundred and Seventy-Four Million Only

### Ready Reckoner Rate

Component	Rate
Built up area	INR 6,600 per sq. ft.
Land area	INR 1,66,000 per sq. ft.

For reference, please refer Annexure 7.

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

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

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



**Annexure 1: Cash Flows**

**Completed Buildings - Block 1, 2, 3, 5,6, 7 and 8**

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	1,135	1,276	1,412	1,543	1,608	1,724	1,865	1,926	2,023	2,116	2,307
O&M Markup	INR Million	212.24	238.59	249.43	258.54	267.63	277.42	287.12	296.84	306.91	318.20	330.16
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	13.15	13.80	14.49	15.22	15.98	16.78	17.62	18.50	19.42	20.39	21.41
<b>Total Income</b>	<b>INR Million</b>	<b>1,360.56</b>	<b>1,528.60</b>	<b>1,676.01</b>	<b>1,816.27</b>	<b>1,891.80</b>	<b>2,018.31</b>	<b>2,169.52</b>	<b>2,241.82</b>	<b>2,349.00</b>	<b>2,454.56</b>	<b>2,658.10</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,360.56</b>	<b>1,528.60</b>	<b>1,676.01</b>	<b>1,816.27</b>	<b>1,891.80</b>	<b>2,018.31</b>	<b>2,169.52</b>	<b>2,241.82</b>	<b>2,349.00</b>	<b>2,454.56</b>	<b>2,658.10</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(0.61)	-	-	-	-	-	-	-	-	-	-
Lease Rent Payments	INR Million	(7.82)	(7.84)	(7.86)	(10.74)	(11.70)	(11.71)	(11.73)	(11.74)	(11.75)	(11.77)	(11.54)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(8.43)</b>	<b>(7.84)</b>	<b>(7.86)</b>	<b>(10.74)</b>	<b>(11.70)</b>	<b>(11.71)</b>	<b>(11.73)</b>	<b>(11.74)</b>	<b>(11.75)</b>	<b>(11.77)</b>	<b>(11.54)</b>
<b>Net operating income</b>	<b>INR Million</b>	<b>1,352.13</b>	<b>1,520.76</b>	<b>1,668.16</b>	<b>1,805.53</b>	<b>1,880.10</b>	<b>2,006.59</b>	<b>2,157.80</b>	<b>2,230.08</b>	<b>2,337.25</b>	<b>2,442.79</b>	<b>2,646.56</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	33,082.03	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(330.82)	-
Fit Out Income	INR Million	1.59	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>1,353.72</b>	<b>1,520.76</b>	<b>1,668.16</b>	<b>1,805.53</b>	<b>1,880.10</b>	<b>2,006.59</b>	<b>2,157.80</b>	<b>2,230.08</b>	<b>2,337.25</b>	<b>35,194.00</b>	<b>-</b>
Maintenance Capex	INR Million	(22.70)	(25.52)	(28.24)	(30.85)	(32.16)	(34.48)	(37.30)	(38.53)	(40.45)	(42.32)	-
Brokerage Expenses	INR Million	(73.27)	(21.33)	(1.45)	-	(0.53)	(8.96)	(1.36)	(2.18)	(4.96)	(65.39)	-
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(92.49)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,165.26</b>	<b>1,473.91</b>	<b>1,638.47</b>	<b>1,774.68</b>	<b>1,847.41</b>	<b>1,963.16</b>	<b>2,119.14</b>	<b>2,189.37</b>	<b>2,291.83</b>	<b>35,086.29</b>	<b>-</b>

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



**Future Development - Block 4A**

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	-	24.8	178.7	358.2	435.0	461.3	485.8	500.3
O&M Markup	INR Million	-	-	-	-	10.0	44.9	76.5	83.7	87.4	91.2	95.2
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	<b>34.8</b>	<b>223.6</b>	<b>434.7</b>	<b>518.7</b>	<b>548.6</b>	<b>577.0</b>	<b>595.5</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	<b>34.8</b>	<b>223.6</b>	<b>434.7</b>	<b>518.7</b>	<b>548.6</b>	<b>577.0</b>	<b>595.5</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	(17.9)	(21.3)	(2.5)	-	-	-	-
Lease Rent Payments	INR Million	(1.7)	(1.7)	(1.7)	(2.4)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.7)	(2.7)
<b>Net operating Income</b>	<b>INR Million</b>	<b>(1.7)</b>	<b>(1.7)</b>	<b>(1.7)</b>	<b>(2.4)</b>	<b>14.3</b>	<b>199.7</b>	<b>429.6</b>	<b>516.1</b>	<b>546.0</b>	<b>574.3</b>	<b>592.9</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	7,410.9	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(74.1)	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>(1.7)</b>	<b>(1.7)</b>	<b>(1.7)</b>	<b>(2.4)</b>	<b>14.3</b>	<b>199.7</b>	<b>429.6</b>	<b>516.1</b>	<b>546.0</b>	<b>7,911.2</b>	<b>592.9</b>
Maintenance Capex	INR Million	-	-	-	-	(0.5)	(3.6)	(7.2)	(8.7)	(9.2)	(9.7)	-
Brokerage Expenses	INR Million	-	-	-	-	(21.1)	(30.0)	(19.8)	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	-	<b>(377.6)</b>	<b>(755.3)</b>	<b>(755.3)</b>	<b>(377.6)</b>	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>(1.7)</b>	<b>(379.4)</b>	<b>(757.0)</b>	<b>(757.7)</b>	<b>(385.0)</b>	<b>166.2</b>	<b>402.6</b>	<b>507.4</b>	<b>536.8</b>	<b>7,901.5</b>	<b>-</b>

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





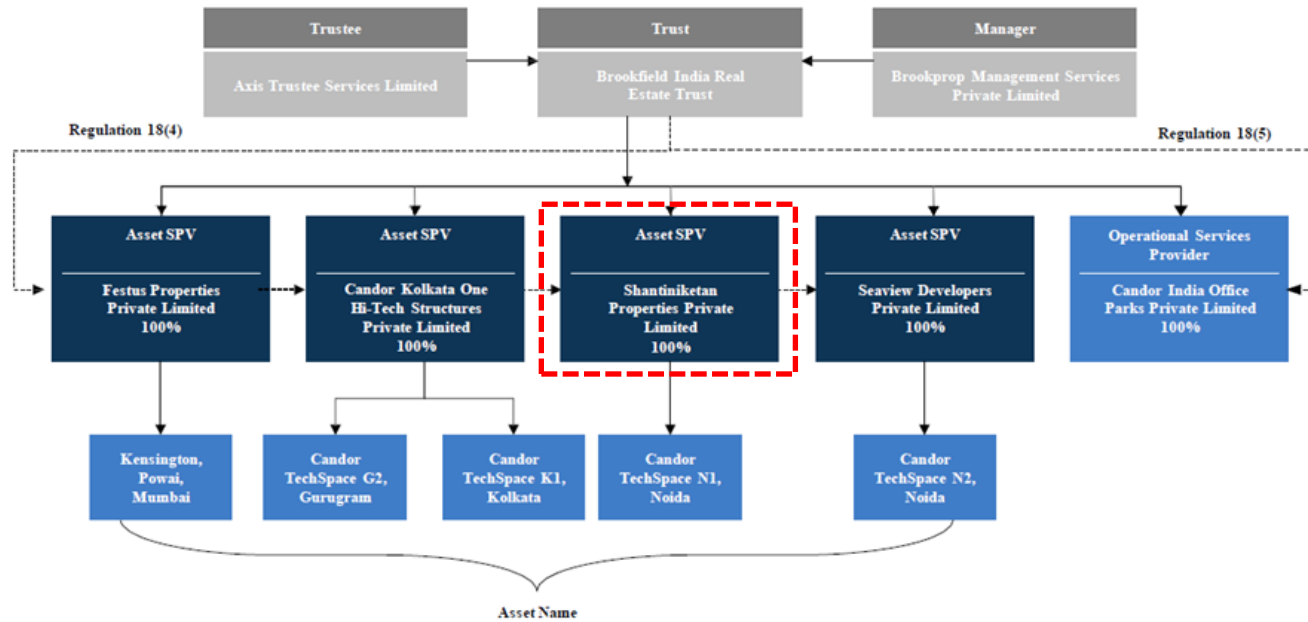
**Future Development- Block 4B**

Particulars	Unit	30-Sep-23	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30	30-Sep-31	30-Sep-32	30-Sep-33
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	8.9	169.4	341.1	392.9	422.7	442.3	451.8	486.1
O&M Markup	INR Million	-	-	-	8.0	47.7	72.7	78.2	81.7	85.3	89.1	93.0
<b>Total Income</b>	<b>INR Million</b>	-	-	-	16.9	217.0	413.8	471.1	504.4	527.6	540.9	579.1
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	16.9	217.0	413.8	471.1	504.4	527.6	540.9	579.1
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	(17.0)	(15.7)	(1.5)	-	-	-	-	-
Lease Rent Payments	INR Million	(1.6)	(1.6)	(1.6)	(2.3)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
<b>Net operating Income</b>	<b>INR Million</b>	(1.6)	(1.6)	(1.6)	(2.3)	198.8	409.8	468.6	501.8	525.1	538.3	576.6
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	7,207.0	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(72.1)	-
<b>Total Net Income</b>	<b>INR Million</b>	(1.6)	(1.6)	(1.6)	(2.3)	198.8	409.8	468.6	501.8	525.1	7,673.3	576.6
Maintainence Capex	INR Million	-	-	-	(0.2)	(3.4)	(6.8)	(7.9)	(8.5)	(8.8)	(9.0)	-
Brokerage Expenses	INR Million	-	-	-	(17.8)	(34.4)	(12.3)	-	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	(333.6)	(667.3)	(667.3)	(333.6)	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(335.3)	(668.9)	(668.9)	(354.0)	161.0	390.7	460.7	493.4	516.3	7,664.2	-

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



**Annexure 2: Ownership Structure**



Subject Property Asset SPV

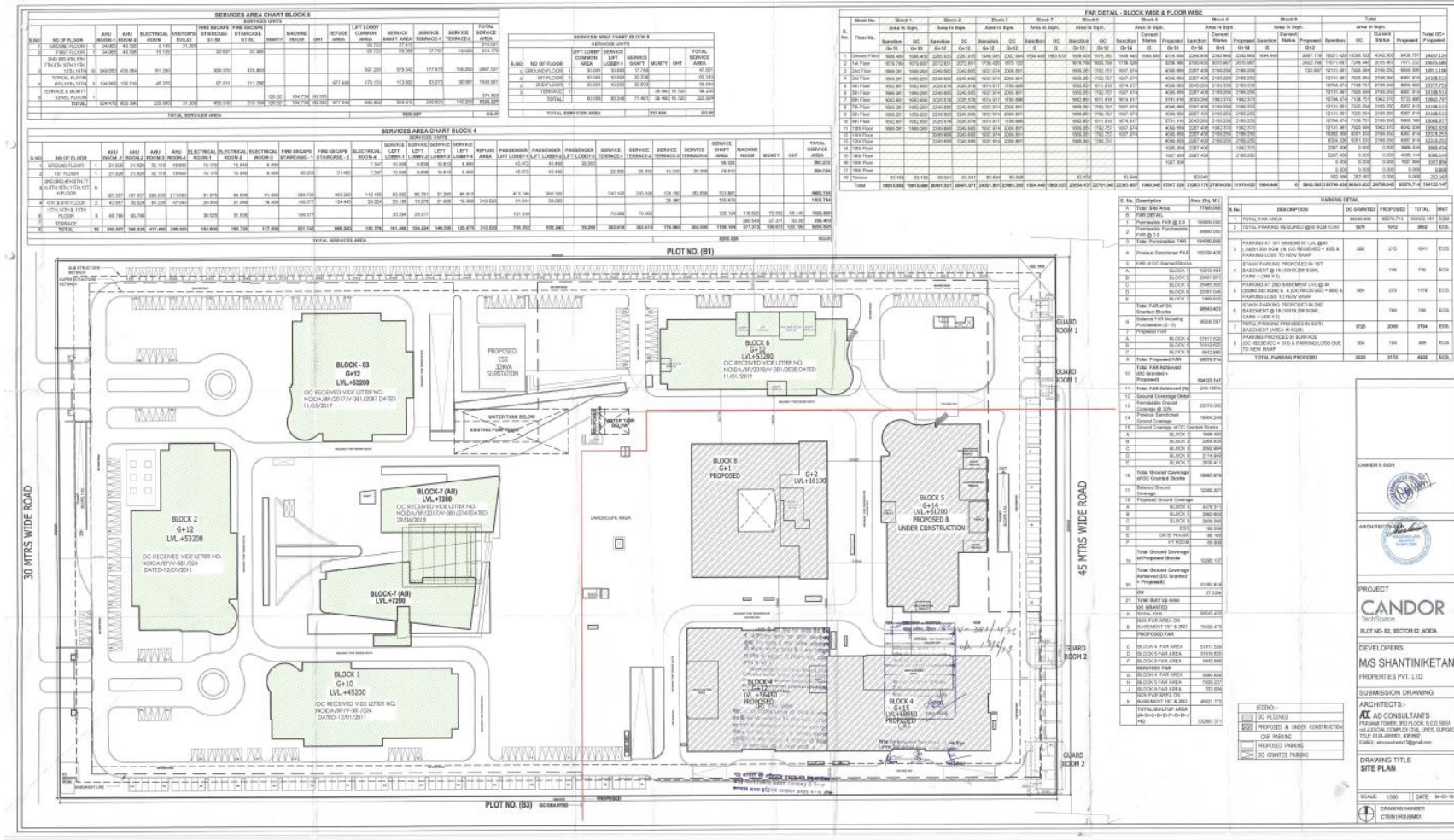
Source : Client

Note:

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



Annexure 3: Site Layout (Complete & Future Development)



Source : Client

**Annexure 4: Subject Property's Photographs**



View of Block 1



View of Block 2



View of Block 5



View of Block 6

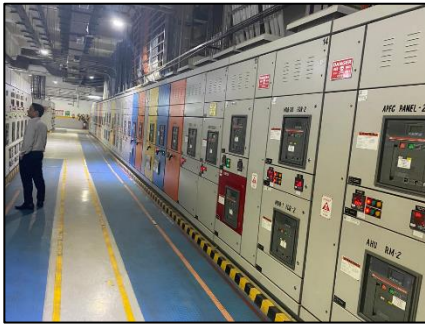


View of Amenity Block (Block 7)



View of Amenity Block (Block 8)





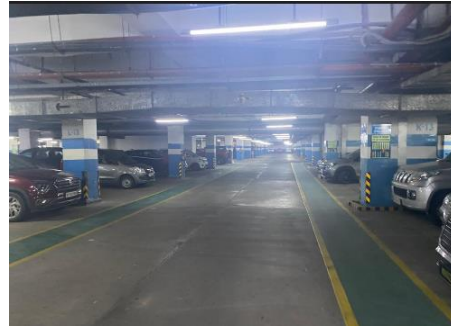
View of LT Panel Room



View of DG Room



View of Block 4A & 4B (Future Development)



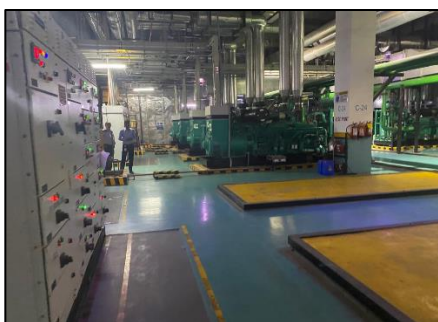
View of Parking



View of Food Court



View of Food Court



View of Pump Room



**Annexure 5: Statement of Key assets**

Building	No/Name	Phase -1 (Tower -1,2,3)				Phase -2 (Tower -6)			
No of DG Capacity	KVA	5 X 1500 KVA				4 x 1500 KVA			
No of Transformer/Capacity	KVA	4 X 2000 KVA & 3 X 8000 KVA				4 X 2000 KVA			
Chiller Rating	Tr	4 X 750 TR & 1 X 400 TR				2 X 850TR			
Cooling Tower	Tr	HVAC: 850TR X 4		150TR X 4		HVAC: 1000TR X 2		150TR X 4	
FF System (Pumps & Engine)	KW/HP	Jockey: 2 X 10.5 HP X 125 HP Curtain Pump: 1 X 40 HP		Engine: 1 X 127 HP		Sprinkler: 1 Hydrant: 1 X 127 HP Fire		Curtain Pump: 1 X 75 HP Fire Engine: 1 X 122 HP, 1 X 72 HP	
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic Pumps: 6 X 7.8 KW		Pump:2 X 30 KW		Flushing		Domestic Pumps: 1 X 5.5 KW, 1 X 7.8 KW Flushing Pump: 2 X 15 KW	
STP Rating	KLD	700 KLD							
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell

Source: Client



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

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

**Approvals Received**

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

**Approvals Pending**

Approvals for Future Development Area

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

Ready Reckoner Rate

प्रा.सू.प-1 में आयुक्ता क्रिया मया की कोड	सैक्टर का क्रमांक	समस्त श्रेणी की खकूचक भूमि जिनका भू प्रयोजन प्राधिकरण द्वारा सुनिश्चित है की दरें प्रति वर्गमीटर रुपये में									फल से निम्न (कम) दर-को वाणिज्यिक अन्वयि की निर्धारित दर कार्यालय प्रति वर्गमीटर में					
		A			B			C			प्राधिकरण से आयुक्ता वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्यालय व गोदाम की दर कार्यालय प्रति वर्गमीटर निर्धारित दर			प्राधिकरण से आयुक्ता में निर्मित वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्यालय व गोदाम की दर कार्यालय प्रति वर्गमीटर निर्धारित दर		
		भूखण्ड आवासीय प्रयोजन			भूखण्ड वाणिज्यिक प्रयोजन			भूखण्ड औद्योगिक प्रयोजन			दुकान	कार्यालय	गोदाम व अन्य	दुकान	कार्यालय	गोदाम व अन्य
		i	ii	iii	i	ii	iii	i	ii	iii						
		12 मी० से अधिक किन्तु 18 मी० तक चौड़ी सड़क पर	18 मी० से अधिक किन्तु 24 मी० तक चौड़ी सड़क पर	24 मी० से अधिक चौड़ी सड़क पर	100 वर्ग मी० तक	100 वर्ग मी० से अधिक 1000 वर्ग मी० तक	1000 वर्ग मी० से अधिक 10000 वर्ग मी० तक	4000 वर्ग मी० तक से भूखण्ड के लिए	4000 वर्ग मी० से अधिक 20000 वर्ग मी० तक	20000 वर्ग मी० से अधिक	बुकान	कार्यालय	गोदाम व अन्य	दुकान	कार्यालय	गोदाम व अन्य
0058	53	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0059	54	46200	48400	50600	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0060	55	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0061	56	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0062	57	48200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0063	58	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0064	59	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0065	60	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0066	61	75600	79200	82800	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0067	62	75600	79200	82800	315000	259000	168000	-	-	-	281200	219200	213300	199500	194250	189000
0068	63	46200	48400	50600	315000	259000	168000	20000	19000	17000	296300	231100	225100	210000	204750	189500
0069	63 A	46200	48400	50600	240000	196000	148000	20000	19000	17000	222000	171800	169900	157500	152250	147000
0070	64	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0071	65	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0072	66	42000	44000	46000	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0073	67	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000

सहायक महानिरीक्षक निर्बंधन (प्रथम)  
गौतमबुद्धनगर।

अपर जिलाधिकारी/वित्त एवं राजस्व)  
गौतमबुद्धनगर।

जिलाधिकारी  
गौतमबुद्धनगर।





Land rate

सोपटनेच्या मध्ये जागावरील विस्थापित क्षेत्र-कोड	सोपटनेचा क्रमांक	वार्डचा नाव, पत्र निवेदन, कार्यालयीन क्षेत्राधिकार प्रथम, द्वितीय व तृतीय क्षेत्राधिकार	सुधारित जागावरील प्रयोजन, 12 मीटर तसेच चौडी राहक पर (मिमीत मेल)	वाणिज्यिक प्रयोजन 10000 वर्ग मीटर से अधिक क्षेत्र प्रमाण परीक्षण	औद्योगिक प्रयोजन 50000 वर्ग मीटर से अधिक क्षेत्र प्रमाण परीक्षण	सुपर हायस्पीड रेल्वे नियमित दर	प्राथमिक वारंदात कराना प्रयोजन हेतु जागावरील प्रमाण ही परीक्षासोबत क्षेत्राधिकार क्षेत्राधिकार			
							नगर क्षेत्राधिकार क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार	सुधारित क्षेत्राधिकार क्षेत्राधिकार	सुधारित क्षेत्राधिकार क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार	सुधारित क्षेत्राधिकार क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार/सुधारित क्षेत्राधिकार
0057	52	तृतीय	103500	159000	-	-	-	155000	-	-
0058	53	प्रथम	72000	143000	-	-	-	107500	-	-
0059	54	द्वितीय	44000	143000	-	-	-	107500	-	-
0060	55	तृतीय	72000	143000	-	-	-	107500	-	-
0061	56	प्रथम	72000	143000	-	-	-	107500	-	-
0062	57	द्वितीय	44000	143000	16500	-	22000	107500	10000	20000
0063	58	तृतीय	44000	143000	16500	-	22000	107500	10000	20000
0064	59	प्रथम	44000	143000	16500	-	22000	107500	10000	20000
0065	60	द्वितीय	44000	143000	16500	-	22000	107500	10000	20000
<del>0066</del>	<del>61</del>	<del>तृतीय</del>	<del>72000</del>	<del>143000</del>	<del>-</del>	<del>-</del>	<del>94000</del>	<del>107500</del>	<del>-</del>	<del>-</del>
0067	62	प्रथम	72000	159000	-	-	65000	107500	10000	50000
0068	63	द्वितीय	44000	159000	16500	-	22000	107500	10000	20000
0069	63A	द्वितीय	44000	121000	16500	-	-	65000	-	-
0070	64	तृतीय	44000	143000	16500	-	22000	107500	10000	20000
0071	65	प्रथम	44000	143000	16500	-	22000	107500	10000	20000
0072	66	द्वितीय	40000	143000	-	-	-	60000	-	-
0073	67	तृतीय	44000	143000	16500	-	22000	78500	10000	20000
0074	68	प्रथम	44000	143000	16500	-	22000	78500	10000	20000
0075	69	द्वितीय	44000	121000	-	-	-	78500	-	-
0076	70	तृतीय	52500	143000	-	84500	-	78500	-	-
0077	71	प्रथम	52500	143000	-	-	-	78500	-	-
0078	72	द्वितीय	52500	143000	-	-	-	78500	-	-

सहायक महानिरीक्षक निबंधन (प्रथम) गौतमबुद्धनगर।  
अपर जिलाधिकारी (वित्त एवं राजस्व) गौतमबुद्धनगर।  
जिलाधिकारी गौतमबुद्धनगर।



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

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

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



## Annexure 9: Caveats & Limitations

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



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



# VALUATION REPORT

## Candor TechSpace N2, Sector – 135, Noida, NCR

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

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

Submitted to: Brookfield India Real Estate Trust





## Disclaimer

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

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

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

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



**Executive Summary**

<b>Candor TechSpace IT/ITeS SEZ (N2), Sector – 135, Noida</b>	
<b>Valuation Date:</b>	31 <sup>st</sup> March 2023
<b>Site Visit Date:</b>	30 <sup>th</sup> March 2023
<b>Valuation Methodology:</b>	Discounted Cash Flow Method using Rental Reversion
<b>Valuation Purpose:</b>	Disclosure of valuation of assets forming part of portfolio of Brookfield India REIT in accordance with the SEBI (REIT) Regulations, 2014
<b>Location / Situation:</b>	<p>Candor TechSpace N2 (herein after referred to as N2 and/ or Subject Property) is located on Plot No. 20, 21, Noida – Greater Noida Expressway, Sector-135, Noida, Uttar Pradesh, one of the established IT/ITeS office destinations of Noida.</p> <p>The Subject Property is a three-side open plot which is accessible via a 45-meter-wide sector road off Noida-Greater Noida Expressway on North as well as East and 30-meter-wide road on the West.</p> <p>N2 is well connected with other parts of the city through road and metro rail network. The Subject Property lies in close proximity to various office assets such as Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Embassy Oxygen, and Express Trade Towers 2.</p>
<b>Description:</b>	<p>N2 constitutes 15 buildings and can be segregated under Completed/ Operational (with OC received) and future development buildings. The details of the same are:</p> <ul style="list-style-type: none"> <li>Completed/Operational : Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, Buildings (14) 11A, Amenity Block – 1 (Ground Floor) and Amenity Block – 2</li> <li>Future development (1) : Tower 12 and Amenity Block – 1 (First Floor) ^</li> </ul> <p>The Completed buildings collectively admeasure 37,75,522 sq. ft.# of leasable area. Currently the committed occupancy in the Completed building is 77.0%*.</p> <p>Future Developments include Tower 12 admeasuring 7,60,000 sq. ft. of leasable area and Amenity Block – 1 (first floor) having leasable area of 10,873 sq. ft. and are currently planned for future and are expected to be ready by Q4 FY 2026–27 and Q1 FY 2024–25 respectively. The leasable area of the future development is indicative and is subject to change once the internal business plans are in place or the construction is completed. No approvals have been obtained as on the date of valuation.</p> <p>The Subject Property offers interactive spaces and other amenities including cafeteria, creche, convenience store, gymnasium, medical wellness centre, electrical vehicle charging station etc.</p>
<b>Total Area:</b>	<p>Total Land Area: 29.653 Acres</p> <p>Completed Leasable Area: 37,75,522 sq. ft.</p> <p>Future Development Leasable Area: 7,70,873 sq. ft.</p> <p>Total Leasable Area: 45,46,395 sq. ft.</p>



External View of Subject Property



Tower 11 of Subject Property



Internal View of Tower 9 of Subject Property



Amenity Block 2 of Subject Property

Source: Architect's Certificate (5<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information

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

^The first floor of Amenity Block-1 is considered as future development and has not been counted as an additional tower for the purposes of computing the no. of buildings in the future development component.

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



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

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

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 March 2023	INR 40,493 Million	Indian Rupees Forty Billion Four Hundred and Ninety-Three Million Only
Future Development	31 March 2023	INR 2,403 Million	Indian Rupees Two Billion Four Hundred and Three Million Only

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

**VALUATION FOR MARCH 2022**

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>
Completed Building	31 March 2022	INR 37,303 Million
Under construction/ Future Development	31 March 2022	INR 3,664 Million

*Note: Market Value of the Subject Property for March 2022 by previous Valuer (Shubhendu Saha)*





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

**To: Brookfield India Real Estate Trust**

**Property: Candor TechSpace N2, Sector – 135, Noida**

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

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

## **A REPORT**

### **1 Instructions**

**Brookfield India Real Estate Trust (hereinafter referred to as the “Instructing Party” or the “Client”)**, has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of office property located in Noida (hereinafter referred to as “Subject Property” and/or “Candor TechSpace N2”) for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The Subject property and interests valued as part of this valuation exercise are detailed in Part C of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

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

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

L. Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation, and real estate advisory. She was working as an Associate Director for Cushman and Wakefield (hereinafter referred to as “C&WI”) from 2013 – 2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining C&WI, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. L. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with PriceWaterhouse Coopers in the Government, Real estate, and Infrastructure Development Practice where she was involved in carrying out financial appraisal and strategies for some of the



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

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

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

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

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

### **4 Purpose of Valuation**

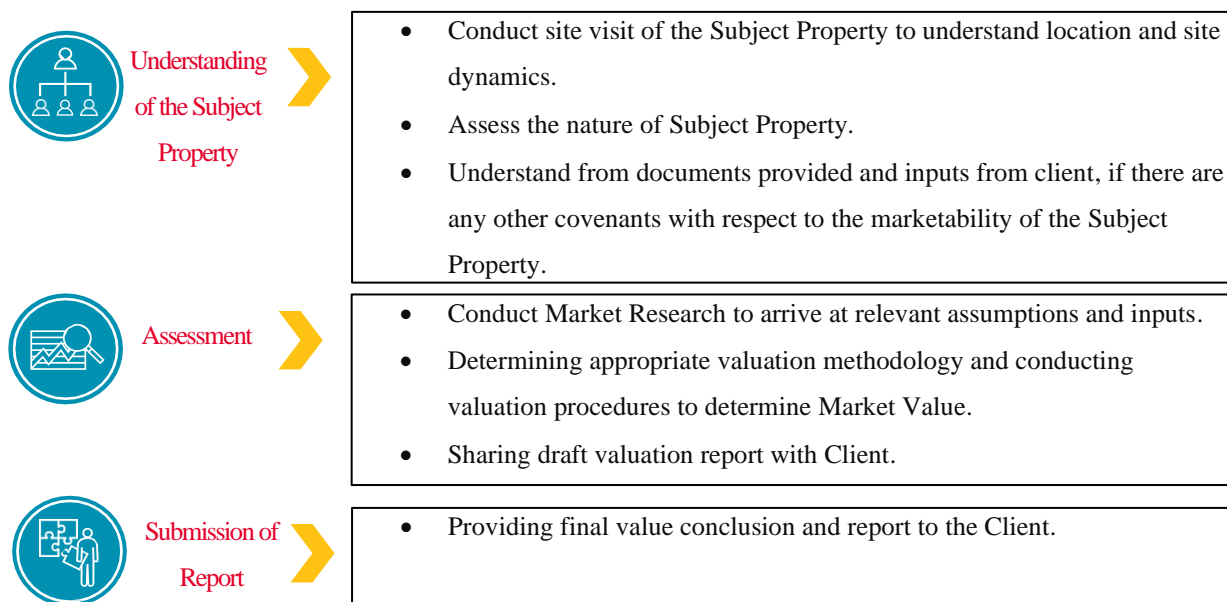
The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation for the disclosure of valuation of assets forming part of the portfolio of Brookfield India REIT under the Securities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

### **5 Basis of Valuation**

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

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

## 6 Valuation Approach & Methodology



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

### Discounted Cash Flow Method using Rental Reversion

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

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

## 7 Assumptions, Departures and Reservations

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



## 8 Inspection

The Subject Property was inspected on 30<sup>th</sup> March 2023 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which have been assumed to be correct. Based on the discussions with the client it has been assumed that no material change in the condition of the Subject Property has taken place.

## 9 General Comment

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

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

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

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

## 10 Confidentiality

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

## 11 Authority

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

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



resulting from the use of the Report for the purpose stated above including disclosure in the Documents and in the valuation report.

## 12 Reliant Parties

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

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

## 13 Limitation of Liability

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

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

## 14 Disclosure and Publication

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



Regulations 2016 and subsequent amendments and circulars, it may be noted that the Valuation report is prepared in accordance with said REIT regulations.

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

Both Parties represents, warrants and undertakes that:

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

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

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





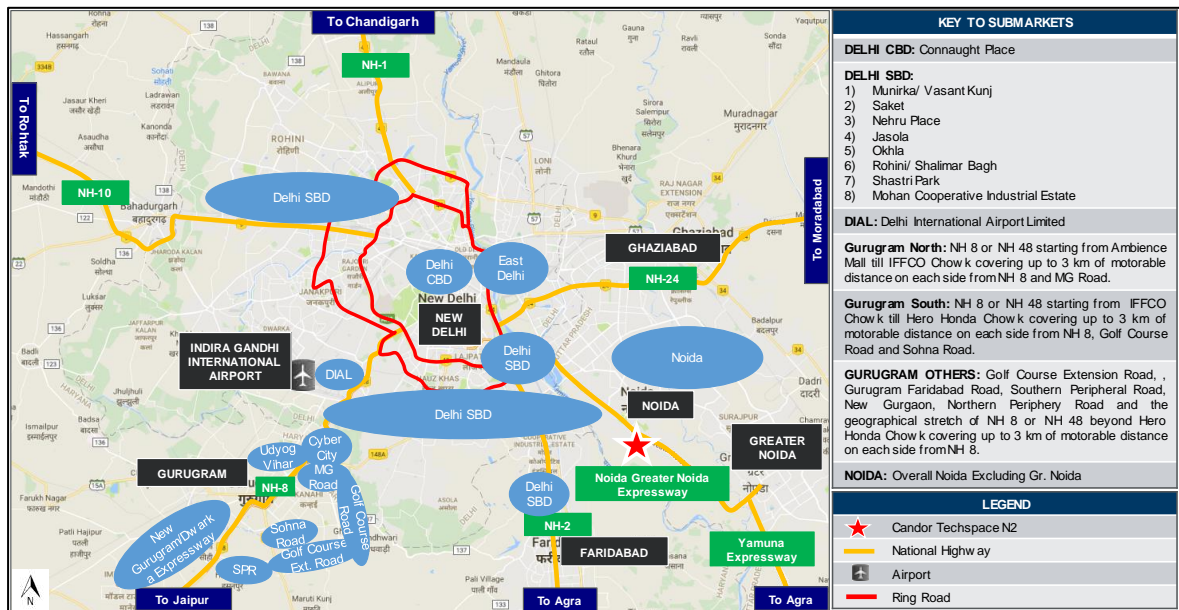
## **B National Capital Region Overview**

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

## 1 National Capital Region Overview

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

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



Source: Cushman and Wakefield Research

(Map not to scale)

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

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



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

Particulars	NCR overall	Delhi	DIAL	Gurugram	Noida*	NGN Express way
<b>Total Completed Stock till Q1 2023 (msf)</b>	88.09	3.29	1.37	61.01	22.43	14.55
<b>Current Occupied Stock till Q1 2023 (msf)</b>	67.88	2.43	1.23	48.08	16.15	9.25
<b>Current Vacancy Q1 2023 (%)</b>	22.94%	26.04%	10.03%	21.19%	28.01%	36.44%
<b>Avg. Annual Absorption - 2015 – Q1 2023 (msf)</b>	3.59	0.15	0.14	2.41	0.90	0.62
<b>Future Supply – Q2 2023 E – 2025 E (msf)</b>	13.98	-	-	12.21	1.77	1.77
<b>Market Rent – Q1 2023 (INR psf / month)</b>	87.67	142.28	224.52	94.03	54.01	54.21
<b>CAGR for Market Rent (2015 – Q1 2023)</b>	1.86%	0.92%	4.55%	2.03%	3.93%	3.04%

Source: Cushman and Wakefield Research

Notes:

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

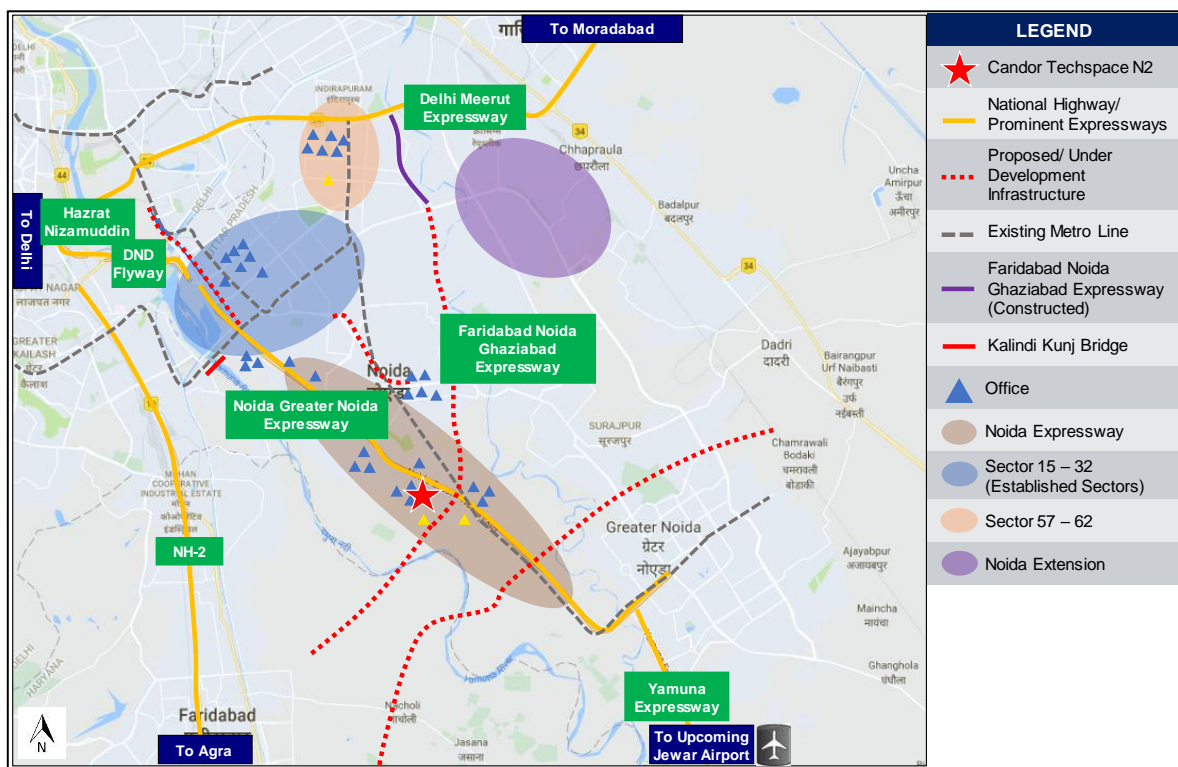


## 2 Brookfield India REIT’s City Market – Noida

Candor TechSpace N2 is a leasehold, Grade–A asset located in Noida city market of NCR, with well-planned infrastructure, proximity to residential areas and established social infrastructure.

### 2.1 Overview

Noida, located in the State of Uttar Pradesh, is an integral part of the NCR. It is a planned city located in Gautam Buddha Nagar district. Further, it is located at about 25 km South-East of Central Delhi and can be accessed from Central Delhi via: Delhi – Noida Direct (DND) Flyway or Toll Bridge; Sarita Vihar or Kalindi Kunj Road; and the Nizamuddin Flyover. It is bound on the West and South–West by the Yamuna River and on the North–East by Ghaziabad.



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

The primary office clusters in Noida are concentrated towards Sector 16, 18, 32 and 57 – 65 and a belt running along Noida Expressway. The office developments in these sectors constitute a mix of investment grade and sub investment grade developments. Noida Expressway primarily constitute investment grade developments. Sector 16, 18, 32 houses commercial developments, however the other two office clusters predominantly offer IT / ITeS developments. To name a few, established players like Brookfield, Embassy Oxygen Tower, Advant etc. have their footprint in Noida. Along with prominent office spaces, Noida Expressway is a hub for international schools as well. Some well-known schools operational on NGN Expressway are Lotus Valley International School, Gyanshree School, Mayoora School, Pathways International, Amity International etc.

Traditionally, retail cluster in Noida had remained confined to Sector 18 which is also known as the “Atta Market”. The Sector 18 market is also the main high street retail destination of Noida. Gradually, as the



development activity in the city progressed a number of malls got developed in Sectors 16, 18 and 32. Few of the prominent retail malls in the city are Great India Place, DLF Mall of India (one of the largest in NCR with leasable area of approximately 2 msf), Centre Stage Mall, Gardens Galleria, Spice Mall, Logix City Centre Mall etc. ~ together, all these retail malls contribute to a significant percentage of organized retail supply of the city.

Residential supply of the city can be divided under established and upcoming sectors. The established sectors of Noida such as 14, 15, 21, 22, 45, 55, 56, etc. constitute plotted developments through government or unorganized players and high-rise developments primarily under cooperative group housing schemes. Central Noida, comprising Sectors 72 – 79, the sectors along the under-construction FNG expressway and sectors in Noida Extension are high density sectors. Hence, most of the projects in these micro markets comprise high-rise group housing projects. These sectors are being developed by organized players/ developers and primarily cater to Middle Income Group. The sectors along Noida – Greater Noida Expressway have residential projects along both sides. Residential developments in this micro market comprise both plotted developments and high-rise group housing projects. These sectors are being developed by organized players/ developers and cater to all segments viz. Middle-Income Group, Upper Middle-Income Group and High-Income Group.

With approx. 25,000 students graduating every year, Noida has ample talent pool to cater the office occupants present in the city. Amity University, Jaypee Institute of Information & Technology and Sharda University are few of the renowned educational campuses present in Noida.

Noida has been divided into three micro markets:

- Sector 62, Noida – refers to the Northern part of Noida, abutting NH – 24 and covering the surrounding sectors of 57, 58, 59 and 60 towards South and Sectors 63 and 64 towards East.
- Noida–Greater Noida (NGN) Expressway – refers to the geographical expanse of NGN expressway.
- Rest of Noida – refers to office clusters in Sectors 16 – 18, sectors 32 – 34 and Greater Noida West.

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

- **Connectivity and linkages:** Noida is well connected to other nodes of NCR via. Robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work. Noida is the only city in NCR where the physical infrastructure was planned ahead of real estate development. Hence, the city enjoys superior physical infrastructure and planned architectural layout.
- **Lower occupation cost:** Noida has availability of residential and office spaces with rentals and capital values significantly lower than Gurugram and Delhi. Hence, the city stands out as it offers quality living at much lower occupation cost.
- **Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** Noida is accessible through multiple modes of transportation and offers residential spaces across various price categories; it attracts talent pool from all adjoining locations.



## 2.2 Key Statistics – Noida

Particulars	Details
<b>Total Completed Stock (Q1 2023)</b>	Approximately 22.43 msf
<b>Current Occupied Stock (Q1 2023)</b>	Approximately 16.15 msf
<b>Current Vacancy (Q1 2023)</b>	Approximately 28.01%
<b>Avg. Annual Net Absorption (2015 – Q1 2023)</b>	Approximately 0.90 msf
<b>Future Supply (Q2 2023 E – 2025 E)</b>	Q2 – Q4 2023E: Approximately 1.20 msf 2024E: Approximately 0.57 msf 2025E: NIL

Source: Cushman and Wakefield Research

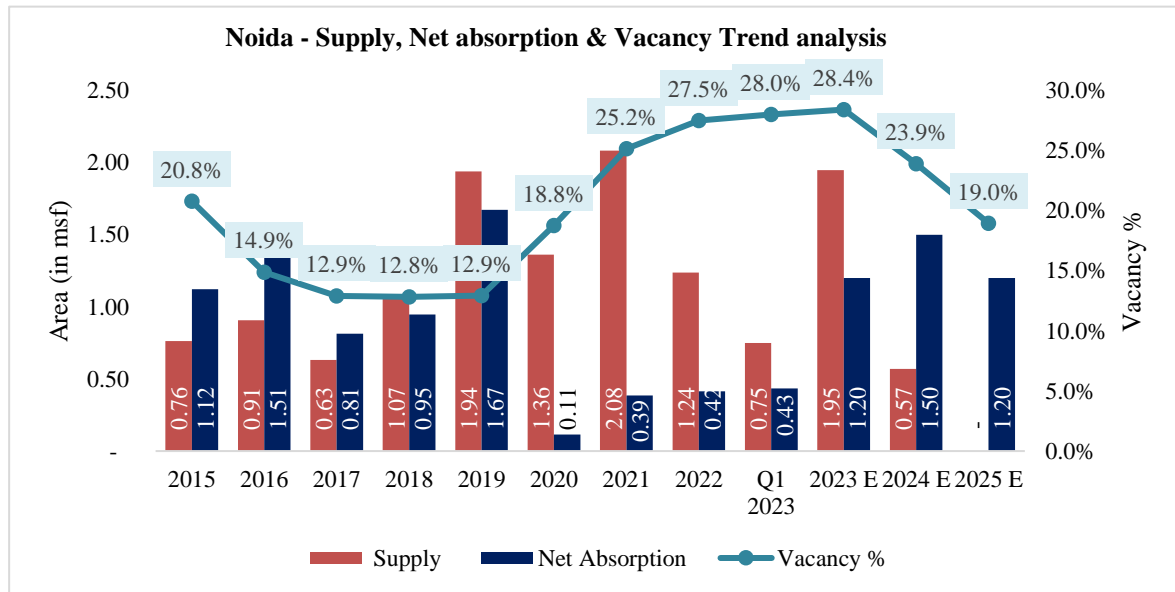
Notes:

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



### 2.3 Supply, Absorption & Vacancy

The supply, absorption and vacancy trend for Noida is as follows:



Source: Cushman and Wakefield Research

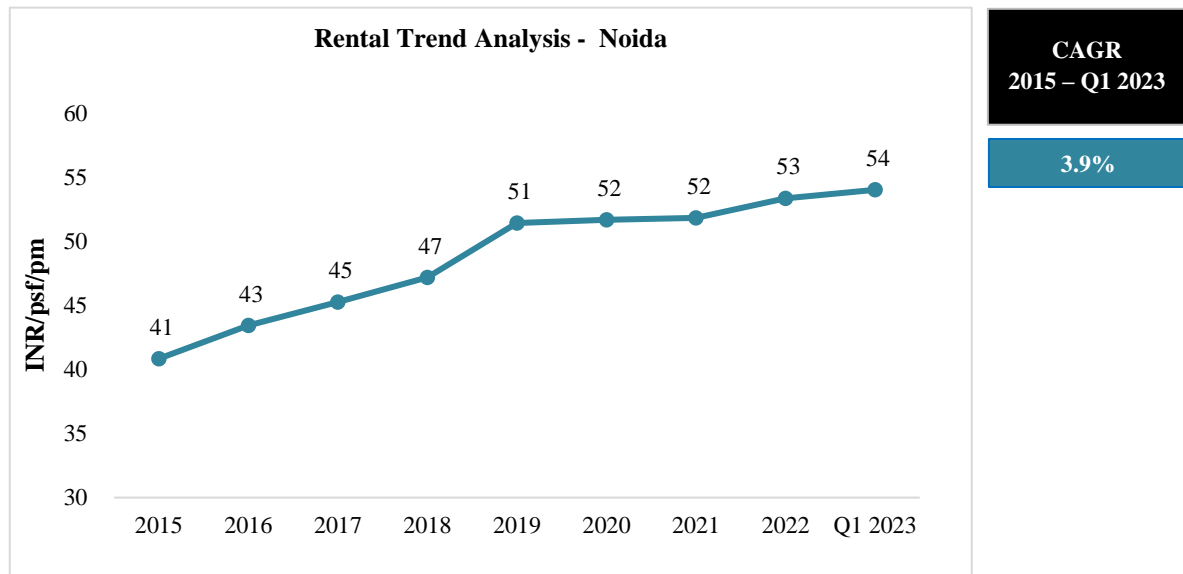
**Notes:**

1. Only the relevant stock has been considered for this analysis excluding the buildings which are less than 1 lakh square feet in area, excluding non-IT buildings and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
4. Noida has emerged as a preferred IT / ITes destination over the years due to excellent physical infrastructure, affordable rentals and availability of large office spaces. The growth is backed by availability of large talent pool and residential spaces across all price points. The overall perception of Noida has also evolved as an office destination.
5. Noida over the past 8.25 years has seen an average additional supply of approximately 1.30 msf and an annual average net absorption of approximately 0.90 msf. Noida has always benefited from the presence of superior infrastructure as compared to other cities of NCR. With improvement in intercity connectivity, and quality developments, the absorption is likely to go in the upward direction.
6. The shift in development status of the city from being dominated by sub-investment grade structures to good campus / large integrated park-based development has resulted in the city to grow exponentially in office segment. With increasing occupier base, and major infrastructure getting developed viz. Jewar Airport in Noida, the same trend is likely to continue in future.



## 2.4 Rental Trend Analysis

The rental trend for Noida is as follows:



Source: Cushman and Wakefield Research

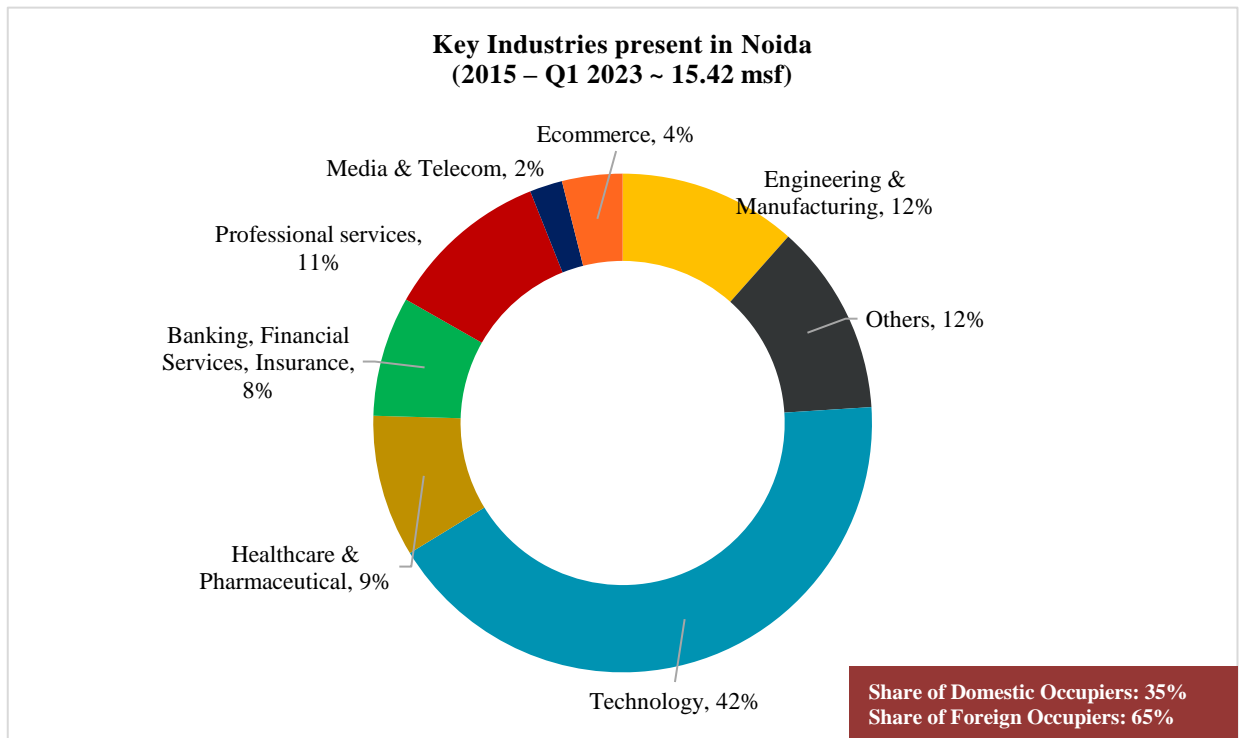
Notes:

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

Established micro markets of Gurugram reaching saturation which results in benefiting the Noida micro markets because of their quality workspaces available at competitive rentals. Further, with new infrastructure initiatives viz. Airport at Jewar, the trend is likely to continue in future. The Brookfield India REIT's City Market has shown continuous growth in the market rental with CAGR of 3.9% from 2015 to Q1 2023.



## 2.5 Sectoral Demand Analysis – Noida (2015 – Q1 2023)



Source: Cushman and Wakefield Research

Notes:

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

Noida's office supply (which is predominantly IT/ITeS & SEZ in nature) is dominated by Technology occupiers contributing 42% to the overall demand. The other prominent industries contributing 29% to the demand are Engineering & Manufacturing (12%), Professional Services (11%) and BFSI (8%). In the recent years, factors like start-ups, individual set-ups, emergence of e-commerce, change in consumer behaviour has further led to the increase in demand of office space (including flexi workspace) . The mix of foreign and domestic occupants in Noida is 65:35.



### **3 Noida – Greater Noida (NGN) Expressway – Competitive REIT Micro Market**

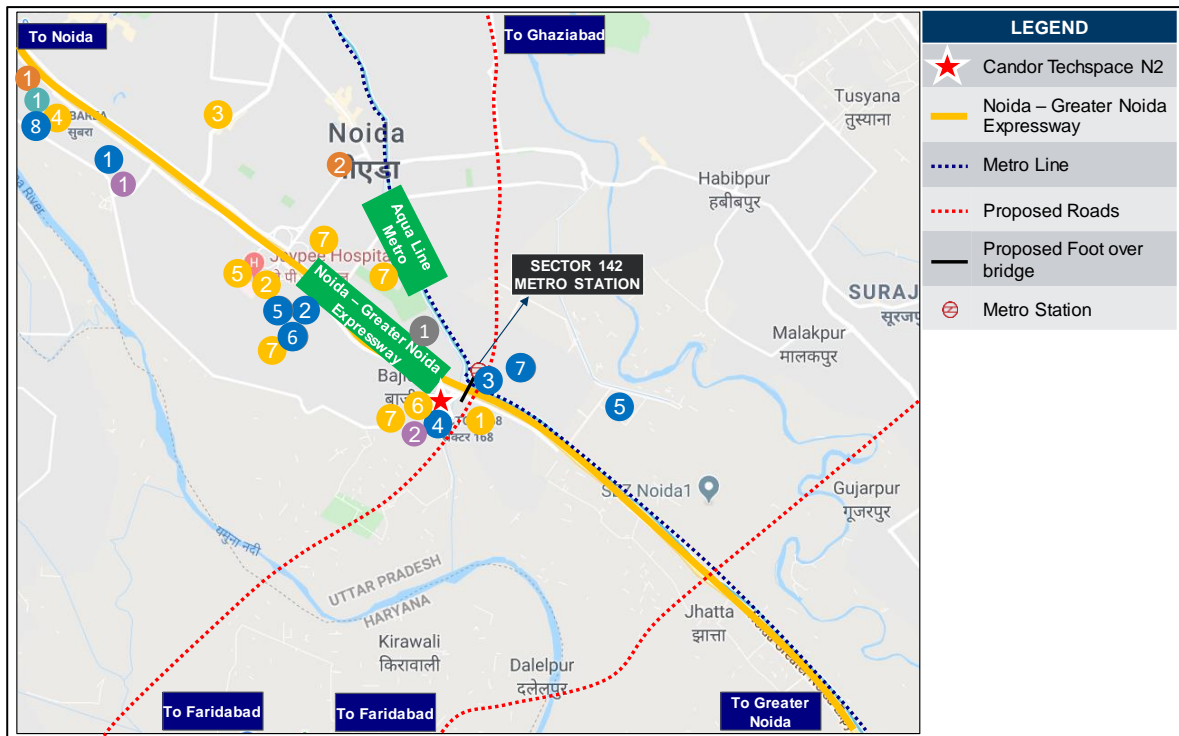
#### **3.1 Overview**

The Noida–Greater Noida Expressway is one of the fastest growing office clusters of Noida. This competitive REIT micro market is located in South-Eastern part of Noida and is being developed as an integrated vector with presence of residential, institutional, commercial, IT/ITeS, along both side of NGN Expressway. Noida – Greater Noida Expressway micro market possesses excellent physical infrastructure and is one of the established IT /ITeS destinations of Noida. This micro market is dotted with presence of both nationalized and local developers. The office supply here primarily constitutes investment grade structures.

Some of the prominent IT/ITeS developments in this competitive REIT micro market includes Embassy Oxygen Tower, Advant Business Park, Stellar IT Park, Assotech Business Cresterra and the Subject property, etc. Candor TechSpace N2 is a multi-tenanted office and the largest office campus in Noida. The Competitive REIT micro market also houses the office of various corporates such as Axis Bank, Adobe, ATS etc. N2 is within close proximity to some of the renowned hotels like Sandal Suite by Lemon Tree etc.



**3.2 Social and Physical Infrastructure**



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

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

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Logix Techno Park (9.6 km)	1. Shiv Nadar School (1.2 km)	1. Hypernova Mall (12.6 km)	1. Stellar 1423/ 1425 (4.6 km)	1. Hide Away Suites (5.3 km)	1. Amity University (11.3 km)
2. Express Trade Tower 2 (4.7 km)	2. DPS, Sector 132 (7.1 km)	2. Market, Sector 110 (6.5 km)		2. Sandal Suites by Lemon Tree (1.5 km)	
2. Advant Navis Business Park (3.5 km)	3. Pathways School Noida (8.6 km)				
4. Assotech Business Cresterra (1.5 km)	3. Genesis Global School (4.2 km)				
4. Oxygen Business Park (6.9 km)	4. Jaypee Hospital (7.1 km)				
5. World Trade Center (3.8 km)	5. Police Station, Sector 135 (1.5 km)				



Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
6. ATS Bouquet (4.1 km)					
7. Sovereign Corporate Tower (3.6 km)					
8. Windsor Grand (8.4km)					

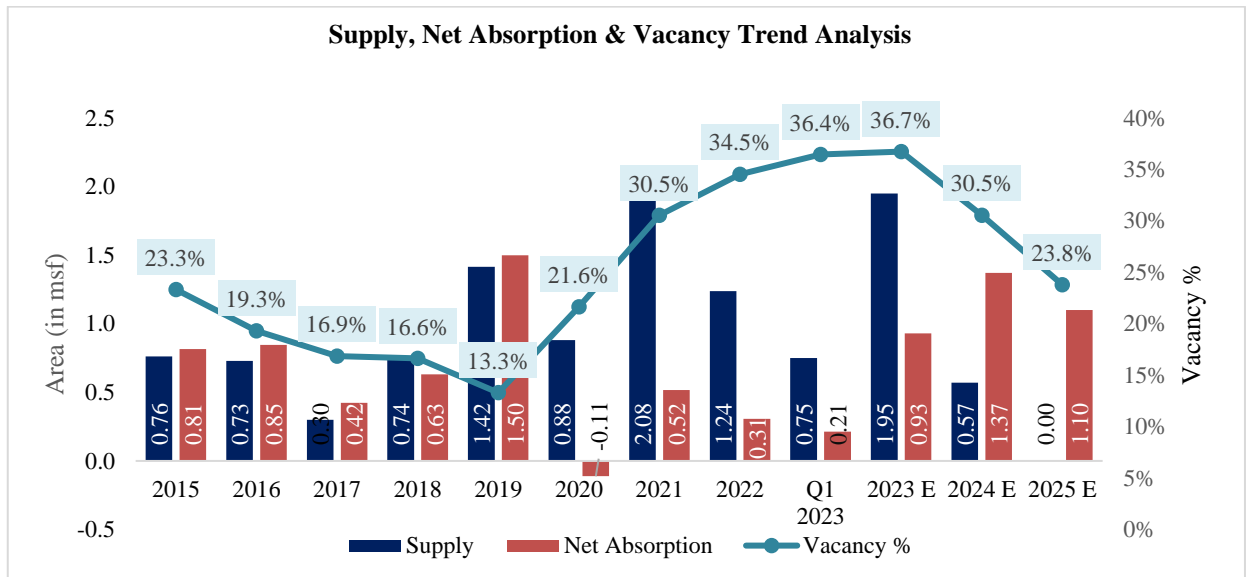
Noida–Greater Noida Expressway, which is a 23.5 km long 8–lane expressway connects the competitive REIT micro market to rest of the city and other parts of NCR. This micro market is also connected to other parts of the city through Aqua line of DMRC with nearest metro station located at sector 142 on NGN expressway.

Further, the under-construction Faridabad Noida Ghaziabad (FNG) Expressway and a proposed 75-meter-wide expressway starting from Noida Sector 150 up till Faridabad will enhance the connectivity of Noida–Greater Noida Expressway with Ghaziabad and Faridabad.



### 3.3 Supply, Absorption & Vacancy Analysis

The supply, absorption vacancy trend analysis for NGN Expressway are as follows.



Source: Cushman and Wakefield Research

Notes:

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

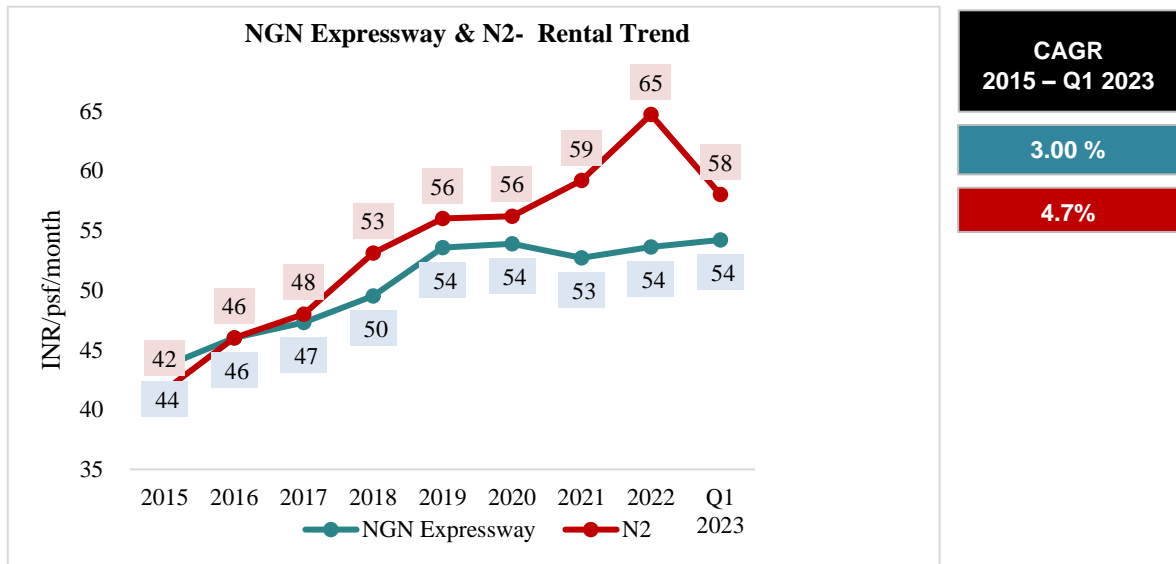
The Noida–Greater Noida Expressway is one of the fastest growing office clusters of Noida. The Competitive REIT micro market enjoys superior connectivity with Delhi and other parts of Noida. With continuous improvement in infrastructure, occupiers are willing to expand across the cities. The Competitive REIT micro market has thus witnessed entry of many such occupiers. With significant differential in rentals as compared to micro markets of Gurugram and other micro markets of NCR, the Competitive REIT micro market offers competitive rentals to the occupiers.

Continuous traction has been observed in the Competitive REIT micro market. As on Q1 2023, the net absorption in the market is 0.21 msf with vacancy levels at ~36.4%.



### 3.4 Rental Trend Analysis

The rental trend analysis for Sector 62, Noida and the Subject Property is as follows –



Source: Cushman and Wakefield Research

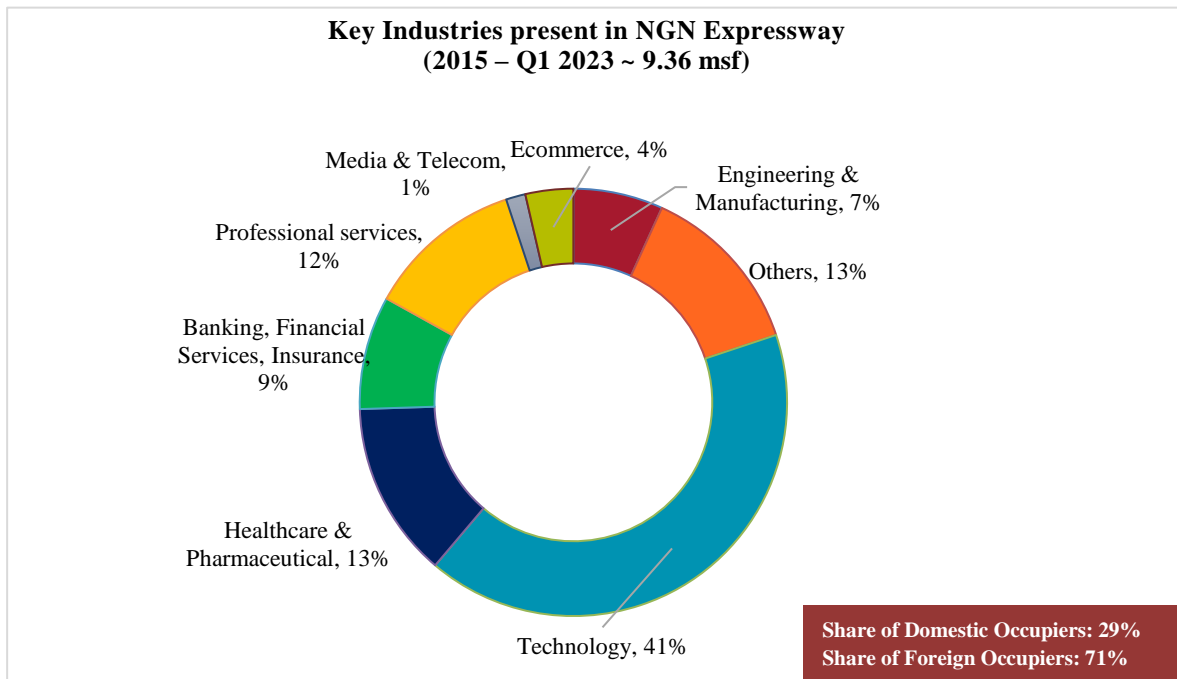
Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for Candor TechSpace N2 have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.

The competitive REIT micro market is a preferred destination for IT/ITeS occupier base. It is one of the largest office micro markets of Noida, offering superior infrastructure and office developments which offer world class amenities.

The graph above represents the rental growth rate of N1 versus entire cluster. The analysis suggests that N2 has witnessed a rental growth of 4.7%, as compared to a growth of 3% in the Competitive REIT Micro Market over the same period. The difference in rental growth also illustrates occupiers’ willingness to pay a premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers.

### 3.5 Sectoral Demand Analysis- NGN Expressway (2015 – Q1 2023)



Source: Cushman and Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were not considered for Domestic & Foreign occupier bifurcation.
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of NGN Expressway's relevant stock i.e., including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Noida–Greater Noida Expressway micro market is dominated by technology sector, which contributed 41% to the leasing activity for the period 2015–Q1 2023. The tenants are attracted to this competitive REIT micro market due to availability of larger floor plates, affordable rentals and good connectivity. The technology occupiers in this micro market are involved in the activities of software development, research & development etc. The other largest occupiers are BFSI, Engineering & Manufacturing, Professional Services and Healthcare & Pharmaceutical together contributing 41%. The mix of foreign and domestic occupants in NGN Expressway, Noida is 71:29.



#### **4 Market Outlook**

Noida–Greater Noida Expressway comprises some of the well-established office developments i.e. Subject Property, Embassy Oxygen Tower, Advant Business Park, Stellar IT Park, Assotech Business Cresterra etc.

The vacancy in the Competitive REIT Micro Market has shown a declining trend from 23.3% in 2015 to 13.3% in 2019. Since CY 2019 the vacancy level has increased owing to continuous supply addition in the market. During 2021, the Competitive REIT Micro Market has witnessed the highest absorption of 0.52 amongst all the micro markets in Noida. As on Q1 2023, the vacancy of the Competitive REIT Micro Market is 36.4% with 0.21 msf of net absorption during the period.

According to the market assessment provided, the current weighted average quoted market rentals of Competitive REIT Micro Market is INR 54 per sq. ft./m and may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The Competitive REIT Micro Market has witnessed a rental CAGR of 3%, as compared of 4.7% in the Subject Property over the same period.

Work from home period has also significantly reduced and many organisations have started calling their workforce back to office. Considering the well-maintained infrastructure, key location, returning to office, the annual growth rate of 5% to 6% in market rents over medium to long term appears achievable for the Subject Property.

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





## **C SUBJECT PROPERTY REPORT**



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

<b>Address:</b>	Plot No. 20, 21, Noida – Greater Noida Expressway, Sector 135, Noida Uttar Pradesh – 201304, India
<b>Ownership &amp; title details:</b>	Land tenure: Leasehold; and buildings thereupon are owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT

*Source: Client Information*

The tenure of the underlying land of the Subject Property is leasehold with lessee being New Okhla Industrial Development Authority (NOIDA Authority). The remaining tenure of the land is ~75 years. Given that the purpose and obligations associated with lease of the underlying land has essentially been achieved, the likelihood of lease getting cancelled or not renewed at the end of the tenure is negligible. Thus, no specific adjustments are required to be made towards the legal tenure of underlying land's ownership.

### **1.1 Encumbrances**

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

### **1.2 Revenue Pendencies**

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

### **1.3 Material Litigation**

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

## 2 Location

### 2.1 General

The Subject Property is located in Sector 135, Noida. It is located in one of the established IT/ITeS office destination of Noida. It is a three-side open plot which is accessible via a 45-meter-wide sector road off Noida–Greater Noida Expressway on North as well as East and 30-meter-wide road on the West. The Subject Property is accessible via Noida–Greater Noida Expressway which connects it to further regions of NCR such as Greater Noida, Delhi, Ghaziabad, etc.

N2 lies in close proximity to Sector 142 Metro Station (Aqua Line of DMRC), which further enhances its accessibility from different parts of NCR. Further, the under-construction Faridabad Noida Ghaziabad (FNG) Expressway and a proposed 75-meter-wide expressway starting from Noida Sector 150 up till Faridabad will enhance the connectivity of Subject Property with Ghaziabad and Faridabad. The Subject Property lies in close proximity to various office assets such as Assotech Business Cresterra, Advant Navis Business Park, Stellar 135, Embassy Oxygen, Express Trade Towers 2, etc.

The location map of the Subject Property is as follows:



Source: Cushman and Wakefield Research

(Map not to scale)



### Site Boundaries

The site boundaries the Subject Property are as under:

- North: Noida–Greater Noida Expressway
- East: Access Road & Developed Residential Group Housing Formats
- West: Stellar IT Park
- South: Commercial Development (Assotech Park)

## **2.2 Accessibility**

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

- Approximately 0.1 km from Noida–Greater Noida Expressway
- Approximately 2 km from Noida Sector 142 Metro Station
- Approximately 14 km from Sector 18, Noida
- Approximately 14 km from DND Expressway
- Approximately 27 km from New Delhi Railway Station
- Approximately 28 km from Connaught Place
- Approximately 36 km from Indira Gandhi International Airport

## **2.3 Ground Conditions**

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

## **2.4 Environmental Considerations**

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

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

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

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



### 3 Subject Property - Asset Description

N2 is an IT/ITeS business park with 14 completed buildings and 2 future developments. The Subject Property can be classified as: completed, and future development. The listing of buildings under each component is as follows:

- **Completed buildings with Occupancy Certificate (OC) received**– Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, Amenity Block–1 (Ground Floor) and Amenity Block–2
- **Future development buildings** – Tower 12 and Amenity Block–1 (First Floor)

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

Particulars	Leasable Area (sq. ft.)	Floor (#)	Average Floor Plate (sq. ft.)	Status	Expected Completion Date
Tower-1	2,08,116	7	29,731	Completed	NA
Tower-2	2,60,171	8	32,521	Completed	NA
Tower-3	2,05,145	7	29,306	Completed	NA
Tower-4	2,90,210	9	32,246	Completed	NA
Tower-5	3,00,295	14	21,450	Completed	NA
Tower-6	4,24,921	14	30,352	Completed	NA
Tower-7	3,11,093	14	22,221	Completed	NA
Tower-8	2,36,287	11	21,481	Completed	NA
Tower-9	3,83,992	13	29,538	Completed	NA
Tower-10	2,60,154	12	21,680	Completed	NA
Amenity Block–1 (Ground Floor)	15,303	-	-	Completed	NA
Amenity Block–2	38,121	2	-	Completed	NA
Tower-11	6,75,760	17	39,751	Completed	NA
Tower-11A	1,65,954	5	33,191	Completed	NA
Tower-12	7,60,000	-	-	Future Development	Q2 FY 2026-27
Amenity Block–1 (First Floor) ^	10,873	-	-	Future Development	Q3 FY 2023-24
<b>Total</b>	<b>45,46,395</b>		<b>28,631</b>		

Source: Architect's Certificate (5<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information.

^The first floor of Amenity Block-1 is considered as future development and has not been counted as an additional tower for the purposes of computing the no. of buildings in the future development component.



### 3.1 Key Asset Information

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

Particulars	Details
<b>Entity:</b>	Seaview Developers Private Limited
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Age of building based on the date of Occupancy Certificate:</b>	Tower 1 – 12 years Tower 2 – 12 years Tower 3 – 12 years Tower 4 – 12 years Tower 5 – 5 years and 5 months Tower 6 – 4 years and 9 months Tower 7 – 4 years and 5 months Tower 8 – 9 years and 11 months Tower 9 – 9 years and 8 months Tower 10 – 7 years and 9 months Tower 11 – 1 year and 11 months Amenity Block–1 (Ground Floor) – 12 years Amenity Block–2 – 5 years and 5 months Tower 11A – 8 months
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida – Greater Noida Expressway
<b>Approved and Existing Usage:</b>	IT/ITeS
<b>Land Area (acres):</b>	~29.653
<b>Freehold/ Leasehold:</b>	Leasehold Land
<b>Leasable Area:</b>	37,75,522 sq. ft.
<b>Occupied Area:</b>	29,08,090 sq. ft.
<b>Committed Occupancy (%)*:</b>	77.0%*
<b>Current Effective Rent (excluding parking):</b>	INR 56 per sq. ft. per month (Office tenants only)
<b>Current Effective Rent (excluding parking):</b>	INR 56 per sq. ft. per month (Office, Retail and Telecom tenants)
<b>Number of Tenants:</b>	22 (office)

Source: Architect's Certificate (5<sup>th</sup> May 2023), Rent Roll as at 31 March 2023, Lease Deeds / Leave and Licence Agreements and Client Information.

Note:

Refer company structure set out in Annexure 2.

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

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



**Future Development – Tower 12**

<b>Particulars</b>	<b>Details</b>
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q4 FY 2026–27
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	Noida – Greater Noida Expressway
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	7,60,000 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (5<sup>th</sup> May 2023), and Client Information*



**Future Development- Amenity Block-1 (First Floor)**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Seaview Developers Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q1 FY 2024–25
<b>Asset type:</b>	Approved IT/ITeS
<b>Sub-market:</b>	Noida – Greater Noida Expressway
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	10,873 sq. ft.
<b>Status of construction:</b>	Future Development
<b>Approvals received and pending:</b>	No approvals have been obtained as on date of valuation

*Source: Architect's Certificate (5<sup>th</sup> May 2023), and Client Information*





### 3.2 Subject Property Inspection

<b>Date of Inspection:</b>	The Subject Property comprising 14 operational buildings along with future development area was physically inspected on 30 <sup>th</sup> March 2023.
<b>Inspection Details:</b>	<p>The inspection comprised of visual inspection of:</p> <ol style="list-style-type: none"> <li>a. Operational buildings</li> <li>b. Visits to their key utility areas such as LT electric room, DG Room, Pump room, HVAC installations, power back up, STP, etc, and</li> <li>c. Area provisioned for Future development.</li> </ol>
<b>Key Observation:</b>	
<p>The Subject Property is an IT/ITeS office space developed in a campus format offering large floor plates with significant open/ green areas and number of amenities for occupiers.</p> <ul style="list-style-type: none"> <li>• <b>Completed/ Operational Building:</b> <p>The 14 operational buildings in the campus are Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, Amenity Block–1 (Ground Floor) and Amenity Block–2 with OC received collectively admeasuring 37,75,522 sq. ft. of leasable area. The operational buildings comprise;</p> <ol style="list-style-type: none"> <li>a. Office: The 12 office towers (i.e., Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A) collectively admeasuring leasable area of 37,22,098 sq. ft. These towers are occupied by multiple tenants. Major tenants in these blocks are Samsung, Steria, Genpact, Xavient, Cognizant and Accenture.</li> <li>b. Amenity Block: Constitutes Amenity Block–1 (Ground Floor) and Amenity Block–2 having leasable area of 53,424 sq. ft. These Blocks constitute retail area catering to all basic requirements of occupiers viz. Food &amp; Beverages (F&amp;B) (in the form of multi cuisine food courts), creche, bank branch and ATM, indoor sports, 24X7 Paramedics, convenience store, etc. Major tenants in these blocks are BlueChip, Dex Retail and Ipsaa.</li> </ol> </li> <li>• <b>Future development:</b> <p>The Future Development includes Tower 12 and Amenity Block–I (First Floor) having total leasable area of 7,70,873 sq. ft. The details are:</p> <ol style="list-style-type: none"> <li>a. Tower 12 having leasable area of 7,60,000 sq. ft. The tower is proposed to be developed with modern age aesthetics, which intends to create differential experience for the occupiers viz. walk through along waterbodies, larger lobby area, improved amenity area etc. The same is expected to be completed by Q4 FY 2026–27.</li> <li>b. Amenity Block-1 (First Floor) having leasable area of 10,873 sq. ft.</li> </ol> </li> </ul>	



#### **Other Amenities**

- The Subject Property is equipped with sustainable features that include STP, rooftop solar panels, water efficient landscaping, 100% organic waste recycling through composting and LED lights. The safety features and power back-up facilities are at par with the best in the industry.
- It also offers amenities like food court, F&B, fitness zones with gym, convenience shopping, banks with ATMs, shuttle services and day care.

#### **Awards & Certifications**

- The Subject Property has been awarded IGBC Platinum Rating for sustainability and 5–Star Rating by the Bureau of Energy Efficiency (BEE) in addition to the group wide ISO 9001, 14001, 50001, GRESB 5–star rating and OHSAS 18001 Certification.

#### **Parking**

- The large parking requirement is catered by multilevel basements and open area parking slots contributing to 6,595 (including future developments) parking spaces.

#### **Other Observations**

- The visual inspection of the buildings and the future development area did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance.
- No instances of any major logging or water accumulation were observed during the inspection. The utility areas also appeared well maintained, visually.
- In addition to three existing entry and exit points, an additional entry/ exit gate is planned in near future, which shall further improve traffic movement both inside and outside the campus.
- Regular upgradation activities are being undertaken within the campus to ensure its upkeep as per the modern age requirement (Please refer to Annexure 8 for more details).

Source: Architect's Certificate (5<sup>th</sup> May 2023)

Note:

- a. The Subject Property inspection did not comprise any structural survey, technical/ engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.
- b. The increase in leasable area is due to change in efficiency.



### 3.3 Investigation and nature and source of information

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

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

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

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

Architect's Certificates (Dated: 5<sup>th</sup> May 2023) mentioning site areas and Subject Property areas.

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

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

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

Management representation regarding the following:

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

Statement of Assets

Revenue pendency, if any

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



### 3.4 Tenant Profile

As of 31st March 2023, the Subject Property's top 10 tenants account for ~79% of the leased area and ~78% of the gross rental income (including office and retail tenants).

Rank	Top 10 Tenants according to Leased Area	Leased Area (sq. ft.)
1	Samsung	3,77,118
2	Steria	2,90,100
3	Genpact	2,81,472
4	Xavient	2,73,066
5	Cognizant	2,55,826
6	Accenture	2,52,518
7	Conduent	1,52,928
8	Axtria	1,40,735
9	Qualcomm	1,40,466
10	Aristocrat	1,28,452
<b>Total</b>		<b>22,92,681</b>

Source: Rent Roll as at 31 March 2023 and Client Information

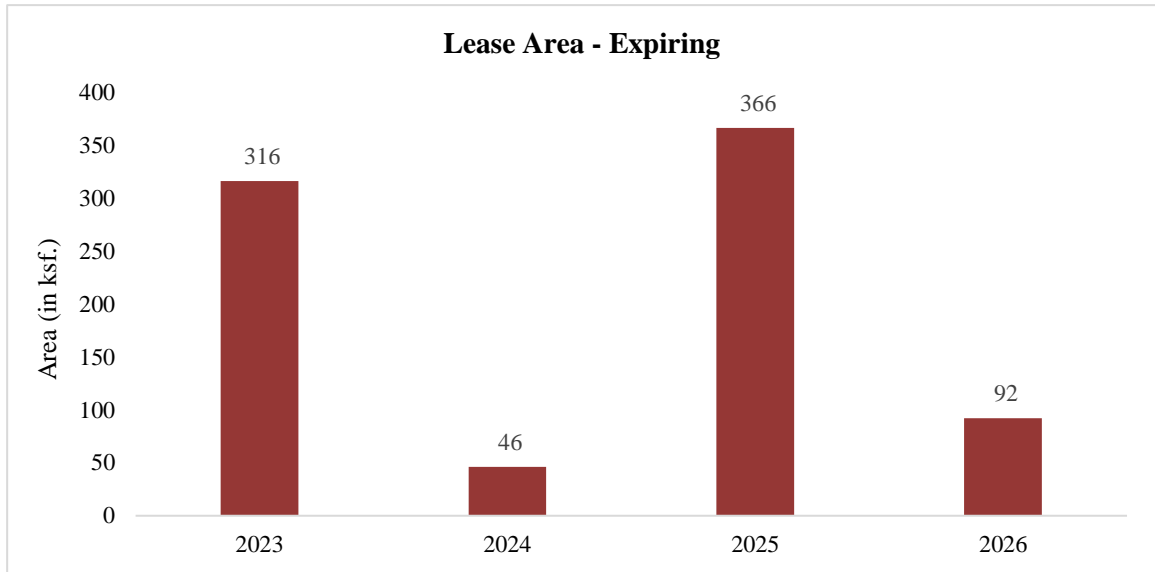
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Samsung	12%
2	Xavient	10%
3	Genpact	9%
4	Accenture	9%
5	Cognizant	9%
6	Steria	9%
7	Qualcomm	5%
8	Conduent	5%
9	Axtria	5%
10	Aristocrat	5%
<b>Total</b>		<b>78%</b>

Source: Rent Roll as at 31 March 2023 and Client Information



### **3.5 Lease Expiry Profile**

The Weighted Average Lease Expiry (WALE) of the Subject Property is 7.4 years, with 28.22% of occupied area expiring between 2023 and 2026 as shown in the chart below (including office, retail and telecom tenants).



*Source: Rent Roll as at 31 March 2023 and Client Information*

Notes:

1. The chart is prepared on the basis of Calendar Year.
2. The time-period for 2023 is considered from 1 April 2023 till 31 December 2023.



## 4 Valuation Approach & Methodology

### 4.1 Asset-specific Review:

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

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

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

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

### 4.2 Micro-market Review:

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

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



### 4.3 Cash Flow Projections:

1. The Subject Property is a completed building. The cash flows have been projected as mentioned below to arrive at the value estimate.
2. Net operating income (NOI) has primarily been used to arrive at the value of the subject properties. The below steps were undertaken to arrive at the value. The projected future cash flows from the Subject Property are based on existing lease terms. These cash flows have been projected for a duration of 10-years from the date of valuation and for 11<sup>th</sup> year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate. Principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:
  - Step 1:** Projecting the rental income as per the existing lease terms for a cashflow period of 10 years.
  - Step 2:** Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
  - Step 3:** Computing the monthly rental income projected as part of Step 1 & 2 and translating the same to a quarterly income (for the next 10 years and NOI of the 11<sup>th</sup> year – considered for calculation of terminal value).
3. Recurring operational expenses, and vacancy provision have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For the Subject Property, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the margins on the common area maintenance income which accrues as cash inflows to the Subject Properties.
4. The net income on quarterly basis has been projected over the next 10 years and the one year forward NOI (for 11<sup>th</sup> year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the Subject Property through this approach.

### 4.4 Information Sources:

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



## 5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 31<sup>st</sup> March 2023:

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

### Subject Property Details: Completed Property

Subject Property Details	Unit	Details
Total Leasable Area	sq. ft.	37,75,522
Area Leased	sq. ft.	29,08,090
Committed Occupancy*	%	77.0%
Vacant Area	sq. ft.	8,67,432
Vacancy	%	23.0%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	sq. ft.	7,73,108
Existing Lease Rollovers	%	100%
Rent Free Period – Existing Leases (First Year)	Months	1
Rent Free Period – New Leases	Months	4
Total Parking Slots	#	5,776
Estimated Leasing Period	# of quarters	16

Source: Architect's Certificate (5<sup>th</sup> May 2023)

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

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

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

- **Rent-free period:** In accordance with market benchmarks for Grade A properties, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- **Future absorption:**
  - Over 2015 – Q1 2023, the Noida–Greater Noida Expressway micro market has witnessed an average annual net absorption of approximately 0.62 msf.
  - Going Forward, this micro market is expected to have an average annual demand of approximately 0.64 msf per annum till year 2025E.
  - Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.77 msf within 16 quarters from July 2023 after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
  - We have considered 3 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2023.



**Subject Property and Relevant Existing/ Upcoming Supply in the Noida–Greater Noida Expressway Micro Market**



Source: Cushman and Wakefield Research

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



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 60.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 103.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 62.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 105.00
Other Income	Per sq. ft. per month	INR 0.34
Rental Growth Rate (for Q3 FY'24 – Q4 FY'24)	% p.a.	2.5%
Rental Growth Rate (for FY'25 – FY'28)	% p.a.	6.0%
Rental Growth Rate (for FY' 29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – Q3 FY 24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP* Margin)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.02
Income Support (Vacant Area)*	Per sq. ft. per month	INR 72.00

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

*\*\*Please note that for the acquisition of N2, as per the client – the seller (Brookfield Sponsor Group) will provide Income Support of INR 72 per sq. ft./month to cover Office Rents and O&M Expenses for all vacant areas including Tower 11A until their Rent Commencement Date till N2 gets fully leased up. In addition, the Income Support shall be applicable to rent free period for recent leases executed in Tower 11. This Income Support shall commence from 01-Jan-2022 and extend till 31-Mar-2024 and shall be subject to an overall cap of INR 1,500 Million, out of which INR 950 Million have been received till 31 March 2023. Based on the above information shared by the client, we have built-in the Income Support in the completed Leasable area*

- **Market rent – office:**

- Achievable market rent includes parking charges of INR 2 per sq. ft. per month (considering the parking rent of INR 4,000 per slot per month).
- In FY' 2023, approximately 0.19 msf was leased in the rental range of INR 58–65 per sq. ft. per month (including parking).

#### Lease Transactions FY' 2022–2023

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft/ month) Including Parking
Xavient	2022	22,844	60
Aristocrat	2022	1,28,452	65
Axtria	2023	41,332	58

*Source: Rent roll as at 31 March 2023 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view of the future supply, which is very limited, enable the buildings to command a premium. Hence, it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 62 per sq. ft. per month (including parking charges).
- **Market rent growth rate:** Considering the balanced absorption and future supply profile in the competitive REIT micro-market, we expect annual growth in achievable market rentals to be in the range of 5–6% in the medium to long term.



The occupiers have started evaluating their return to office strategy. With the return to office we expect the demand to increase over Q3 and Q4. Hence, we have considered a growth rate of 2.5% for Q3 & Q4 of FY'24. This is expected to be followed by an accelerated annual rental growth rate of 6.0% during FY'25 to FY'28 and 5.0% from FY'29 and onwards.

- **Other income:** We have been provided with other income for Visitor Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income. We have considered an annual growth of 5% on other income.
- **O&M Mark-up:** O&M revenues and expenses were shared by the Manager. O&M Mark-up constitutes two components, namely, O&M Mark-up including sinking fund and CIOP Mark-up. Since O&M revenues include sinking fund which is being charged at a constant rate without any growth assumed on it, the growth rate for O&M Mark-up has been suitably adjusted to normalise it over the future tenure. The O&M Mark-up for the Subject Property for FY'23 has been assumed to range from INR 5 to 9 per sq. ft. per month. Further, the total CIOP expense for N2 is provided to be INR 88.79 Million for the FY'24 which are being escalated at 8% annually for the subsequent year. Tenants are charged INR 3.31 – 7.74 per sq. ft. per month, based on their type on account of CIOP expense plus Mark-up.
- **Efficiency:** In order to normalise the efficiency at which the leases have happened in the Subject property over the past six months, we have decreased the efficiency of the existing leases to 75% where it was more than 75%, when the area gets re-leased on expiry.



**Operating Cost Assumptions**

<b>Cost Assumptions</b>	<b>Unit</b>	<b>Details</b>
Brokerage Cost (Renewal/ Release)	Month Rent	1 Month Rent
Brokerage Cost (New Lease)	Month Rent	2 Month Rent
Other Costs for Vacant Area for the Property Owner	Per sq. ft./month	INR 7.01
Land Lease Rent Payment	Per sq. ft./month	INR 0.31
Cost Escalation	% p.a.	5.0%
Transaction Cost on Sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A properties, we have assumed brokerage expense amounting to two months for new leases and one month for existing lease rollovers.
- **Lease rent payment & Rent permission:** The Subject Property being the leasehold property involves lease rent payments of INR 17.65 Million per annum (as per the information provided by Client). It will be escalated by 50% in FY' 27.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



### Discount Rate & Capitalisation rate assumptions

- Capitalization Rate:**

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

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

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

Source: Secondary Market Research

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

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



- **Discount Rate**

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

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

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



**Future Development**

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

**Subject Property Details**

Subject Property Details	Unit	Tower 12	Amenity Block-1 (First Floor)
Total Leasable Area	sq. ft.	7,60,000	10,873
Stabilized Vacancy	%	2.50%	2.50%
Existing Lease Rollovers	%	100%	100%
Rent Free Period – New Leases	Months	4	4
Total Parking Slots	#	819	-
Estimated Leasing Period	# of quarters	5	2

Source: Architect’s Certificate (5<sup>th</sup> May 2023)

**Construction Related Assumptions**

Construction Related Assumptions	Units	Tower 12
Start Date of Construction	Month/ Year	April–24
End Date of Construction*	Month/ Year	March–27
Total Construction Cost <sup>3</sup>	INR Million	4,100

\*Expected date of receiving occupancy certificate.

Notes:

1. We have relied upon Client inputs for the assumptions relating to construction.
2. The assumptions on cost to be incurred for future developments is based on inputs provided from the client while applying independent professional judgement by the valuer.
3. Total Construction Cost includes cost of development of the common areas in the Subject Property.



### Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office (Base)	Per sq. ft. per month	INR 60.00
Achievable Market Rent – Retail (Base)	Per sq. ft. per month	INR 103.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 62.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 105.00
Other Income	Per sq. ft. per month	INR 0.0
Rental Growth Rate (for Q3 FY'24 – Q4 FY'24)	% p.a.	2.5%
Rental Growth Rate (for FY'25 – FY'28)	% p.a.	6.0%
Rental Growth Rate (from FY' 29 onwards)	% p.a.	5.0%
O&M Markup Growth Rate – Q3 FY 24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP* Margin)	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	3
Market Escalation at the end of Escalation period	%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 6.02

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

*\*\*Please note that for the acquisition of N2, as per the client – the seller (Brookfield Sponsor Group) will provide Income Support of INR 72 per sq. ft./month to cover Office Rents and O&M Expenses for all vacant areas including Tower 11A until their Rent Commencement Date till N2 gets fully leased up.*

### Capitalization Rate and Discount Rate

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





## 6 Market Value

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

Component	Market Value as on	In Figures	In Words
Completed Buildings	31 March 2023	INR 40,493 Million	Indian Rupees Forty Billion Four Hundred and Ninety-Three Million Only
Future Developments	31 March 2023	INR 2,403 Million	Indian Rupees Two Billion Four Hundred and Three Million Only

### Ready Reckoner Rate

Component	Rate
Land Area	INR 2,04,750 per sq. meter
Carpet Area	INR 28,000 per sq. meter

For reference, please refer Annexure 7.

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

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

Prepared by

(L. Anuradha)

IBBI/RV/02/2022/14979



## **D ANNEXURES**



**Annexure 1: Cash Flows**

**Completed Buildings: Tower 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11A, Amenity Block–1 (Ground Floor) and Amenity Block–2**

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	1,816.4	2,297.3	2,567.1	2,867.8	3,260.7	3,389.3	3,553.5	3,797.2	4,017.0	4,212.1	4,555.8
O&M Markup	INR Million	295.8	345.4	386.7	432.2	463.1	478.6	495.2	508.3	525.8	540.9	551.5
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	16.1	16.9	17.7	18.6	19.5	20.5	21.5	22.6	23.7	24.9	26.1
<b>Total Income</b>	<b>INR Million</b>	<b>2,128.3</b>	<b>2,659.5</b>	<b>2,971.5</b>	<b>3,318.6</b>	<b>3,743.3</b>	<b>3,888.4</b>	<b>4,070.2</b>	<b>4,328.2</b>	<b>4,566.5</b>	<b>4,778.0</b>	<b>5,133.4</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>2,128.3</b>	<b>2,659.5</b>	<b>2,971.5</b>	<b>3,318.6</b>	<b>3,743.3</b>	<b>3,888.4</b>	<b>4,070.2</b>	<b>4,328.2</b>	<b>4,566.5</b>	<b>4,778.0</b>	<b>5,133.4</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(62.5)	(47.0)	(30.6)	(12.3)	-	-	-	-	-	-	-
Lease Rent Payments	INR Million	(27.3)	(27.3)	(27.3)	(32.6)	(34.4)	(34.4)	(34.4)	(34.4)	(47.0)	(47.0)	(47.0)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(89.9)</b>	<b>(74.3)</b>	<b>(57.9)</b>	<b>(44.9)</b>	<b>(34.4)</b>	<b>(34.4)</b>	<b>(34.4)</b>	<b>(34.4)</b>	<b>(47.0)</b>	<b>(47.0)</b>	<b>(47.0)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>2,038.5</b>	<b>2,585.2</b>	<b>2,913.6</b>	<b>3,273.6</b>	<b>3,708.9</b>	<b>3,854.1</b>	<b>4,035.9</b>	<b>4,293.8</b>	<b>4,519.5</b>	<b>4,730.9</b>	<b>5,086.3</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	63,579.4	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(635.8)	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>2,038.5</b>	<b>2,585.2</b>	<b>2,913.6</b>	<b>3,273.6</b>	<b>3,708.9</b>	<b>3,854.1</b>	<b>4,035.9</b>	<b>4,293.8</b>	<b>4,519.5</b>	<b>67,674.5</b>	<b>-</b>
Maintenance Capex	INR Million	(36.3)	(45.9)	(51.3)	(57.4)	(65.2)	(67.8)	(71.1)	(75.9)	(80.3)	(84.2)	-
Brokerage Expenses	INR Million	(34.9)	(36.0)	(56.8)	(37.0)	(18.9)	(4.1)	(19.0)	(14.6)	(36.8)	(73.9)	-
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cashflows</b>	<b>INR Million</b>	<b>1,967.3</b>	<b>2,503.2</b>	<b>2,805.5</b>	<b>3,179.3</b>	<b>3,624.8</b>	<b>3,782.1</b>	<b>3,945.8</b>	<b>4,203.3</b>	<b>4,402.4</b>	<b>67,516.4</b>	<b>-</b>
Rental Support	INR Million	550.00	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	<b>2,517.27</b>	<b>2,503.25</b>	<b>2,805.46</b>	<b>3,179.34</b>	<b>3,624.78</b>	<b>3,782.14</b>	<b>3,945.79</b>	<b>4,203.26</b>	<b>4,402.35</b>	<b>67,516.39</b>	<b>-</b>

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



**Future Development: Tower 12**

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	-	-	-	55.2	540.0	731.0	755.6	832.4	840.7	868.9
O&M Markup	INR Million	-	-	-	-	27.7	115.3	129.8	135.6	141.6	148.0	154.6
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	<b>82.9</b>	<b>655.2</b>	<b>860.8</b>	<b>891.1</b>	<b>974.1</b>	<b>988.7</b>	<b>1,023.5</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	<b>82.9</b>	<b>655.2</b>	<b>860.8</b>	<b>891.1</b>	<b>974.1</b>	<b>988.7</b>	<b>1,023.5</b>
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	-	-	-	-	(61.3)	(6.1)	-	-	-	-	-
Lease Rent Payments	INR Million	(3.0)	(3.0)	(3.0)	(3.0)	(4.1)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(65.4)</b>	<b>(10.6)</b>	<b>(4.5)</b>	<b>(4.5)</b>	<b>(4.5)</b>	<b>(4.5)</b>	<b>(4.5)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>17.5</b>	<b>644.6</b>	<b>856.4</b>	<b>886.7</b>	<b>969.6</b>	<b>984.2</b>	<b>1,019.0</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	12,738.0	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(127.4)	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>(3.0)</b>	<b>17.5</b>	<b>644.6</b>	<b>856.4</b>	<b>886.7</b>	<b>969.6</b>	<b>13,594.9</b>	<b>-</b>
Maintenance Capex	INR Million	-	-	-	-	(1.1)	(10.8)	(14.6)	(15.1)	(16.6)	(16.8)	-
Brokerage Expenses	INR Million	-	-	-	-	(60.1)	(61.7)	-	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>-</b>	<b>(1,640.0)</b>	<b>(1,640.0)</b>	<b>(820.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cashflows</b>	<b>INR Million</b>	<b>(3.0)</b>	<b>(1,643.0)</b>	<b>(1,643.0)</b>	<b>(823.0)</b>	<b>(43.7)</b>	<b>572.1</b>	<b>841.7</b>	<b>871.6</b>	<b>953.0</b>	<b>13,578.1</b>	<b>-</b>

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



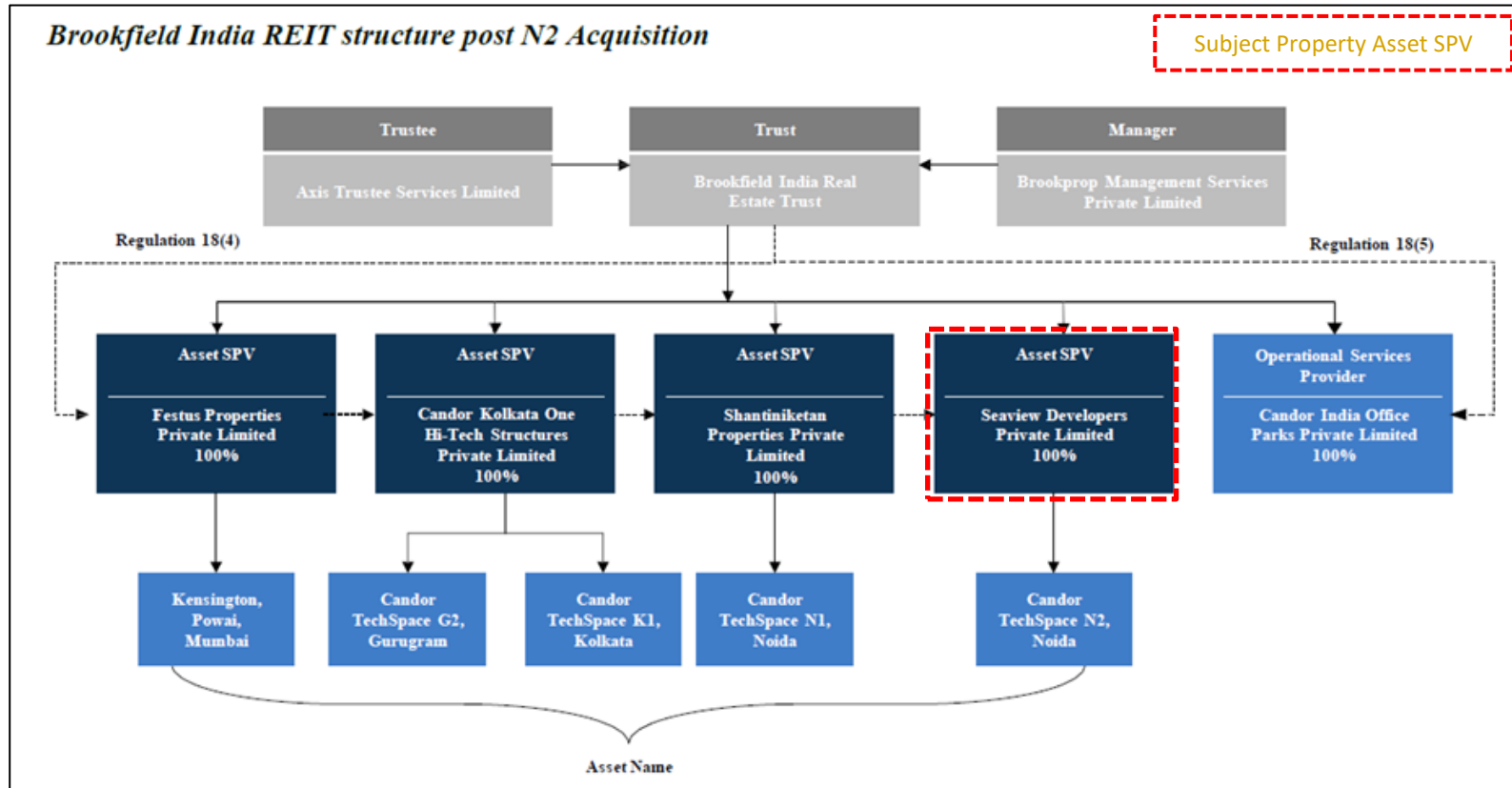
**Future Development: Amenity Block–1 (First Floor)**

Particulars	Unit	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34
<b>OPERATING INCOME</b>												
Lease Rentals (including Parking income)	INR Million	-	4.2	14.5	14.5	15.9	16.7	16.7	18.3	19.2	19.2	21.7
O&M Markup	INR Million	-	0.9	1.6	1.6	1.7	1.8	1.9	1.9	2.0	2.1	2.2
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	5.2	16.1	16.1	17.6	18.5	18.5	20.2	21.2	21.3	23.9
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	5.2	16.1	16.1	17.6	18.5	18.5	20.2	21.2	21.3	23.9
<b>OPERATING COSTS</b>												
CAM Costs For Vacant Areas	INR Million	(0.9)	(0.4)	-	-	-	-	-	-	-	-	-
Lease Rent Payments	INR Million	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total Operating Costs</b>	<b>INR Million</b>	(1.0)	(0.4)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Net operating Income</b>	<b>INR Million</b>	(1.0)	4.8	16.0	16.1	17.5	18.4	18.5	20.2	21.2	21.3	23.8
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	298.1	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(3.0)	-
<b>Total Net Income</b>	<b>INR Million</b>	(1.0)	4.8	16.0	16.1	17.5	18.4	18.5	20.2	21.2	316.4	-
Maintenanace Capex	INR Million	-	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	-
Brokerage Expenses	INR Million	-	(2.4)	-	-	-	-	-	-	-	-	-
Total Construction Costs	INR Million	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(1.0)	2.3	15.8	15.8	17.2	18.1	18.2	19.8	20.8	316.0	-

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



Annexure 2: Ownership Structure



**Note:**

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



Annexure 3: Site Layout (Completed & Future Development)



Source: As provided by client



**Annexure 4: Subject Property Photographs**



View of Tower 1



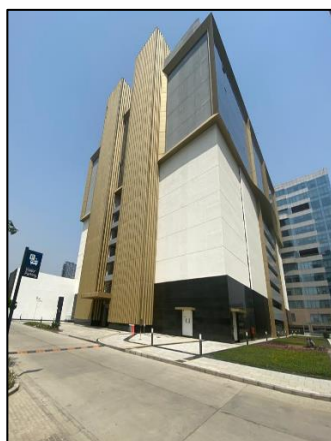
View of Tower 2



View of Tower 8,9,10



View of Tower 10

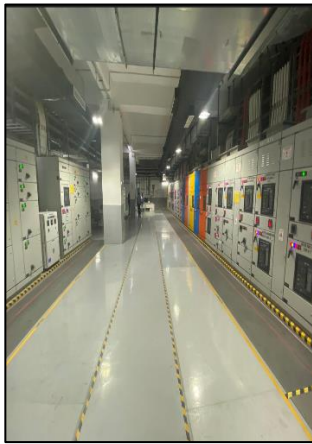


View of Tower 11A



View of Tower 11





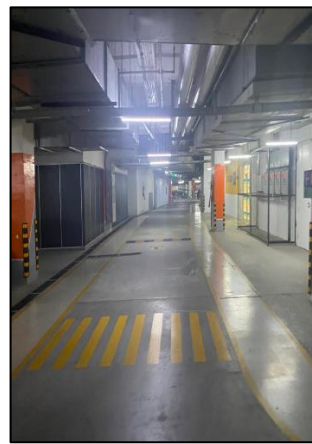
View of DG Room Tower 4 ,5 & 6



Internal View of Plant Room Tower 4, 5 & 6



View of Power Back-Up



Internal view of Tower 6



Internal View of Lobby



View of Amenity Block-2



**Annexure 5: Statement of Key assets**

Building	No/Name	B1	B2	B3	B4	B5	B6	B7	B8	B9	B10	B11
No of DG Capacity	kVA	3 x 1500 kVA, 1 x 750 kVA		4 x 1500 kVA		6 x 1500 kVA			7 x 1500 kVA			3 x 2000 kVA
No of Transformer/Capacity	kVA	2 x 1500 kVA, 1 x 1500 kVA		3 x 1500 kVA		4 x 2000 kVA			3 x 2000 kVA, 1 x 1500 kVA			2 x 2250 kVA
Chiller Rating	TR	3 x 400 TR		4 x 400 TR		5 x 500 TR			4 x 500 TR			3x750 TR
Cooling Tower	TR	DG: 4 x 250 TR, HVAC: 3 x 400 TR		DG: 4 x 250 TR, HVAC: 4 x 400 TR		DG: 6 x 250 TR, HVAC: 5 x 600 TR			DG: 7 x 250 TR, HVAC: 5 x 500 TR			DG: 1 x 200 TR, 1 x 400 TR, HVAC: 3 x 750 TR
FF System (Pumps & Engine)	KW/HP	Jockey: 2 x 15 HP, Sprinkler: 1 x 120 HP, Hydrant: 1 x 30 KW, Curtain Pump: 1 x 30 KW, Diesel Engine: 1 x 127 HP										Jockey: 2 x 25 HP, Sprinkler: 1 x 240 HP, Hydrant: 1 x 240 HP, Curtain Pump: 1 x 45 KW, Diesel Engine: 1 x 254 HP Curtain Diesel Engine: 1 x 72 HP
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic: 2 x 4 KW, Flushing: 2 x 5.5 KW	Domestic: 2 x 4 KW	Domestic: 2 x 5.5 KW	Domestic: 2 x 7.5 KW	Domestic: 2 x 9 KW, Flushing: 2 x 7.5 KW	Domestic: 2 x 15 KW, Flushing: 4 x 7.5 KW		Domestic: 2 x 7.5 KW	Domestic: 2 x 15 KW	Domestic: 2 x 11 KW, Flushing: 2 x 11 KW	Domestic: 2 x 11 KW, Flushing: 2 x 11 KW
STP Rating	KLD	300 KLD * 1				300 KLD * 2			300 KLD * 2			
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell

Source: Client



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

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

**Approvals Received**

- a) Building Plan Approvals for all existing/ under-construction buildings and amendments thereof
- b) Full Occupancy Certificate received for all the operational buildings
- c) Consent to Establish (CTE)
- d) Environment Clearance Certificate
- e) Fire NOC
- f) Height clearance NOC from AAI
- g) Consent to Operate (CTO)

**Approvals Pending**

Approvals for Future Development Area



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

Ready Reckoner Rate

प्लान-1 में आवंटित किया गया सी-कोड	सेक्टर का क्रमांक	समस्त श्रेणी की अकुक्षक भूमि जिनका भू प्रयोजन प्राधिकरण द्वारा सुनिश्चित है की दरें प्रति वर्गमीटर रूपये में									एकल से किल (एक-बंद) वाणिज्यिक सन्धि की निर्धारित दर कास्ट एरिया प्रति वर्गमीटर में					
		A			B			C			प्राधिकरण से आवंटित वाणिज्यिक गुरुप्रक में निर्मित दुकान, कार्यालय व गोदाम की दर कास्ट एरिया प्रति वर्गमीटर निर्धारित दर			प्राधिकरण से आवंटित गैर वाणिज्यिक गुरुप्रक में निर्मित दुकान, कार्यालय व गोदाम की दर कास्ट एरिया प्रति वर्गमीटर निर्धारित दर		
		भूखण्ड आवासीय प्रयोजन			भूखण्ड वाणिज्यिक प्रयोजन			भूखण्ड औद्योगिक प्रयोजन			दुकान	कार्यालय	गोदाम व अन्य	दुकान	कार्यालय	गोदाम व अन्य
		i	ii	iii	i	ii	iii	i	ii	iii						
		12 मी० से अधिक किन्तु 18 मी० तक चौड़ी सड़क पर	18 मी० से अधिक किन्तु 24 मी० तक चौड़ी सड़क पर	24 मी० से अधिक चौड़ी सड़क पर	100 वर्ग मी० तक	100 वर्ग मी० से अधिक 1000 वर्ग मी० तक	1000 वर्ग मी० से अधिक 10000 वर्ग मी० तक	4000 वर्ग मी० तक से गुरुप्रक के लिए	4000 वर्ग मी० से अधिक 20000 वर्ग मी० तक	20000 वर्ग मी० से अधिक 60000 वर्ग मी० तक						
0138	130	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0139	131	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0140	132	55150	57750	60400	240000	198000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0141	133	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0142	134	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0143	135	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0144	136	55150	57750	60400	240000	198000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0145	137	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0146	138	42000	44000	46000	240000	198000	148000	15000	14500	13000	222000	171800	165900	157500	152250	147000
0147	139	42000	44000	46000	240000	198000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0148	140	42000	44000	46000	240000	198000	148000	15000	14500	13000	222000	171800	165900	157500	152250	147000
0149	140 A	42000	44000	46000	240000	198000	148000	15000	14500	13000	222000	171800	165900	157500	152250	147000
0150	141	42000	44000	46000	240000	198000	148000	-	-	-	222000	171800	165900	157500	152250	147000
0151	142	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0152	143	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500
0153	143 B	55150	57750	60400	315000	259000	168000	-	-	-	206300	231100	225100	210000	204750	199500

सहायक महानिरीक्षक निबंधन (प्रथम)  
गौतमबुद्धनगर।

अपर जिलाधिकारी (वित्त एवं राजस्व)  
गौतमबुद्धनगर।

जिलाधिकारी  
गौतमबुद्धनगर।





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

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

- Improved amenity offerings by setting up two amenity blocks including a large food court to make it an attractive office campus for large tenants; and
- Improved the ingress-egress of the Subject Property through widening and refurbishment of the SEZ gates, upgraded parking systems to RFID based systems and upgraded electromechanical equipment.



## Annexure 9: Caveats & Limitations

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





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

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