

# **Valuation Report (Final): Kensington, Powai, Mumbai**

Date of Valuation: 31 March 2021

Date of Report: 18 May 2021

**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. 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 15 March 2021 without the prior written consent of the Valuer.*

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

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 15 March 2021. 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

Kensington (A & B), SEZ Building, Powai, Mumbai, India	
<b>Valuation Date:</b>	31 March 2021
<b>Valuation Purpose:</b>	Proposed public listing as part of Brookfield India REIT (as defined under 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, L&amp;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.</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 1,544,380 sq. ft. of leasable area with 86.5% 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>
<b>Total Area:</b>	<p>Total Land Area: 8.96 acres</p> <p>Total Leasable Area**: 1,544,380 sq. ft.</p>



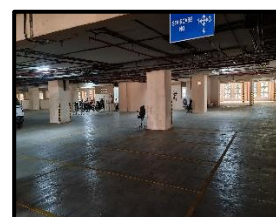
View of Subject Property



View of Subject Property



View of Entrance area



View of Parking area

Source: Architect's Certificate (Dated: 31 March 2021), \*Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information.

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

\*\*Total leasable area includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq Ft). The income for the said area is included in the "Other Income".

### MARKET VALUE OF THE SUBJECT PROPERTY

Component	Market Value as on	In Figures	In Words
Completed Building	31 March 2021	INR 25,492 Million	Indian Rupees Twenty-Five Billion Four Hundred and Ninety-Two Million Only

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

## CONTENTS

<b>Disclaimer</b> .....	<b>1</b>
<b>Executive Summary</b> .....	<b>2</b>
<b>A REPORT</b> .....	<b>5</b>
1 Instructions .....	5
2 Professional Competency of The Valuer .....	5
3 Independence and Conflicts of Interest .....	6
4 Purpose of Valuation .....	6
5 Basis of Valuation .....	6
6 Valuation Approach & Methodology .....	7
7 Assumptions, Departures and Reservations .....	8
8 Inspection .....	8
9 General Comment .....	8
10 Confidentiality .....	8
11 Authority .....	8
12 Reliant Parties .....	8
13 Limitation of Liability .....	9
14 Disclosure and Publication .....	9
15 Anti-Bribery & Anti-Corruption .....	10
<b>B MUMBAI REGION CITY REPORT</b> .....	<b>11</b>
1 Mumbai Region City Overview .....	12
2 Brookfield India REIT's Micro-Markets .....	14
2.1 Overview .....	14
2.2 Social and Physical Infrastructure .....	16
2.3 Key Statistics .....	17
2.4 Supply, Absorption & Vacancy Trend Analysis .....	18
2.5 Rental Trend Analysis .....	19
2.6 Sectoral Demand Analysis – (2015 – Q1 2021) .....	20
3 Competitive REIT Micro Market .....	21
3.1 Overview .....	21
3.2 Supply, Absorption & Vacancy Analysis .....	21
3.3 Rental Trend Analysis .....	22
3.4 Sectoral Demand Analysis – (2015 – Q1 2021) .....	23
4 Market Outlook .....	24
<b>C PROPERTY REPORT</b> .....	<b>25</b>
1 Address, ownership and title details of Subject Property .....	26
1.1 Encumbrances .....	26
1.2 Revenue Pendencies .....	26
1.3 Material Litigation .....	26
2 Location .....	26
2.1 General .....	26
2.2 Accessibility .....	27
2.3 Ground Conditions .....	28
2.4 Environmental Considerations .....	28
2.5 Town Planning and Statutory Considerations .....	28
3 Subject Property - Asset Details .....	29
3.1 Key Asset Information .....	30
3.2 Property Inspection .....	31
3.3 Investigation, Nature and Source of Information .....	32
3.4 Tenant Profile .....	33
3.5 Lease Expiry Profile .....	33
4 Valuation Methodology .....	34
4.1 Market and Location Assessment: .....	34
4.2 Portfolio Assessment: .....	34
4.3 Preparation of Future Cash Flows: .....	34
4.4 Information Sources .....	36
5 Assumptions considered in Valuation .....	37
6 Market Value .....	43

Annexure 1:	Ownership Structure of Subject Property .....	44
Annexure 2:	Property Layout Plan .....	45
Annexure 3:	Property Photographs .....	46
Annexure 4:	Statement of Assets .....	47
Annexure 5:	List of Sanctions and Approvals.....	48
Annexure 6:	Cash Flows – Completed Buildings with Occupancy Certificate (OC) received (Kensington A & B) .....	49
Annexure 7:	Ready Reckoner Rate and Land Rate.....	50
Annexure 8:	Major Repairs Undertaken and Proposed in the Subject Property .....	51
Annexure 9:	Caveats & Limitations.....	52

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

**To:** Brookfield India Real Estate Trust  
**Property:** Kensington, Powai, Mumbai, Maharashtra, India  
**Report Date:** 18 May 2021  
**Valuation Date:** 31 March 2021

## **A REPORT**

### **1 Instructions**

Brookfield India Real Estate Trust (hereinafter referred to as the “**Instructing Party**” or the “**Client**”), has appointed Mr. Shubhendu Saha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “**Valuer**”), 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**

Mr. Shubhendu Saha, the Valuer for the Subject Property is registered as a valuer with IBBI for the asset class Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since 15 May 2019. He completed his Bachelor’s in Planning from the School of Planning and Architecture, New Delhi in 1997 and Master’s in Management Studies from Motilal Nehru National Institute of Technology, Allahabad in 1999.

Mr. Saha has more than 20 years of experience in the domain of urban infrastructure and real estate advisory. From 2009 to 2015, he was the national practice head of Valuation Advisory services of DTZ International Property Advisers Private limited (now known as Cushman and Wakefield Property Advisers Private Limited), a leading International Property Consulting firm in India. He also led the business solutions and consulting services for the property management business of Cushman and Wakefield India Private Limited from 2015 to 2017. In early part of his career, he worked with renowned organisations like ICRA Limited, Copal Research

(now known as Moody's Analytics) and National Council of Applied Economic Research. His last employment was with PwC as Director Real Estate Advisory before he started his practice as an independent valuer.

As the leader of valuation services business at DTZ, Mr. Saha authored India specific guidelines of the RICS Valuation Standards ("Red Book") for financial accounting, taxation and development land, which became part of the 7th edition of Red Book. He is the first registered valuer under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 to undertake the valuation of REIT assets for an IPO. Mr. Saha also led the valuation of India's first listed portfolio of healthcare assets at Singapore Stock Exchange as a Business Trust and led numerous valuation exercises for multiple private equity funds, real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. His clientele includes, Mindspace REIT, Embassy REIT, K Raheja Corp, Air India, HDFC, Religare Health Trust, Duet Hotels, DLF, RMZ, Embassy Group, Citibank, Tishman Speyer, IL&FS, HSBC, IDFC, Ascendas India etc.

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

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Subject Property 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 his engagement as the Valuer.

### **4 Purpose of Valuation**

The purpose of this valuation is for the disclosure of valuation of asset 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 on 31 July 2019, effective from 31 January 2020.

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

## **6 Valuation Approach & Methodology**

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

### **Market Approach**

In 'Market Approach', the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

### **Income Approach**

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

#### **Income Approach - Direct Capitalization Method**

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

#### **Income Approach - Discounted Cash Flow Method**

The income approach is based on the premise that value of an income producing asset is a function of future benefits and income derived from that asset. Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income and cost associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below.

#### **Income Approach - Discounted Cash Flow Method using Rental Reversion**

Given the market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase the attractiveness of the property to prospective tenants. Such benefits are 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, typically the impact of such sub/above market leases on the valuation of the Subject Property are normalised by estimating the rental revenue achievable at the end of the term, based on the expected rents in the market.

The valuation for the Subject Property has been derived by adopting income approach, utilising the discounted cash flow method with rental reversion.



## **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 26 March 2021 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise and the Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct.

## **9 General Comment**

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

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

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject 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.

## **11 Authority**

Client acknowledges and agrees that the valuation exercise undertaken (including, without limitation, the Reports itself and the contents thereof) is solely for the purpose set out in paragraph 4 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in paragraph 4 herein, then (a) Valuer will require, and Client must provide or cause to be provided, an indemnification agreement in his favour, given by parties reasonably satisfactory to him, and (b) Client will obtain his consent to the references in such materials to the Report.

## **12 Reliant Parties**

The Reliant Parties would mean Brookprop Management Services Private Limited (“Brookprop” or “Manager”), Brookfield India REIT and their unitholders and Axis Trustee Services Limited (“Trustee”). The reliance on this report is extended to the Reliant Parties for the purpose as highlighted in this Valuation Report.

The auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

The valuation exercise is conducted strictly and only for the use of the Reliant Parties 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 has provided the services exercising due care and skill but does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation, which may affect the value of the properties. Further, the Valuer shall not accept liability for any errors, misstatements, omissions in the report caused due to false, misleading or incomplete information or documentation provided to him by the Instructing Party.
- The Valuer's maximum aggregate liability for claims arising out of or in connection with the Valuation, under this contract shall not exceed the professional indemnity insurance obtained by him. As on the date of Letter of Engagement ("LOE") and this report the professional indemnity insurance maintained by the Valuer is for INR 50 Million (Indian Rupees Fifty Million).
- In the event that any of the BSREP India Holdings V Pte. Ltd (the "Sponsor"), Manager, Trustee, Brookfield India REIT or other intermediaries appointed in connection with the disclosure of this 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 Valuation, the Claim Parties will be entitled to require the Valuer, to be a necessary party/respondent to such claim and the Valuer shall not object to his inclusion as a necessary party/respondent. However, the legal cost with respect to appointment of lawyers by the Valuer as a respondent/defendant shall be borne by the Client. If the Valuer, as the case may be, does not co-operate to be named as a necessary party/respondent to such claims or co-operate in providing adequate/ successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard and his liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Valuer is neither responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/validation of the zoning regulations/development controls etc.

### **14 Disclosure and Publication**

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

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

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

Both Parties represents, warrants and undertakes that:

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

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

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

## **B MUMBAI REGION CITY REPORT**

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 City Overview

Particulars	Mumbai-Overall	CBD	BKC & Annex	*Andheri & Powai	Malad - Goregaon	Eastern Suburbs	Central Suburbs	Worli - Lower Parel	Thane Belapur Rd	Thane	Vashi & Others	^Competitive REIT Micro Market
Total completed stock till Q1 2021 (million sq. ft.)	96.69	2.08	10.17	20.67	13.52	5.55	5.62	10.17	15.58	9.76	3.83	16.35
Current occupied stock till Q1 2021 (million sq. ft.)	77.06	1.93	8.09	17.26	10.92	4.63	3.50	8.07	11.90	8.48	2.29	14.16
Current Vacancy Q1 2021 (%)	20.5%	7.2%	20.4%	16.5%	19.2%	16.6%	37.7%	20.7%	23.7%	13.2%	40.2%	13.4%
Avg. Annual Absorption - 2015 – Q1 2021 (million sq. ft.)	4.08	0.01	0.49	0.58	0.45	0.22	0.31	0.25	0.78	0.82	0.18	0.54
Future Supply – Q2 2021 – Q2 2023 (million sq. ft.)	13.53	0.00	0.40	0.70	2.96	0.52	0.43	4.60	2.37	1.05	0.50	3.48
Market Rent – Q1 2021 (INR psf / month)	134	229	262	134	119	126	144	197	63	70	92	137
CAGR (2015 -Q1 2021)	1.1%	-0.6%	-0.1%	2.4%	2.9%	4.6%	0.8%	2.4%	4.0%	6.4%	2.4%	4.0%

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.

\* Brookfield India REIT's micro market for the Subject Property

^ A competitive REIT micro-market has been created, which consists of comparable set of buildings in micro markets of Andheri and Powai, Malad and 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.

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 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 2nd 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 2022 with a capacity of 60 million passengers per annum), multiple metro lines (172 km of lines to be operational in phases by 2022), various road projects (including proposed 29.2 km Coastal Road, which would be an 8-lane road along the western coastline of Mumbai enhancing North South connectivity, 21.8 km Mumbai Trans Harbour Link) and the monorail.

## 2 Brookfield India REIT's Micro-Markets

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, 1.5 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 - 1.6 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.

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.

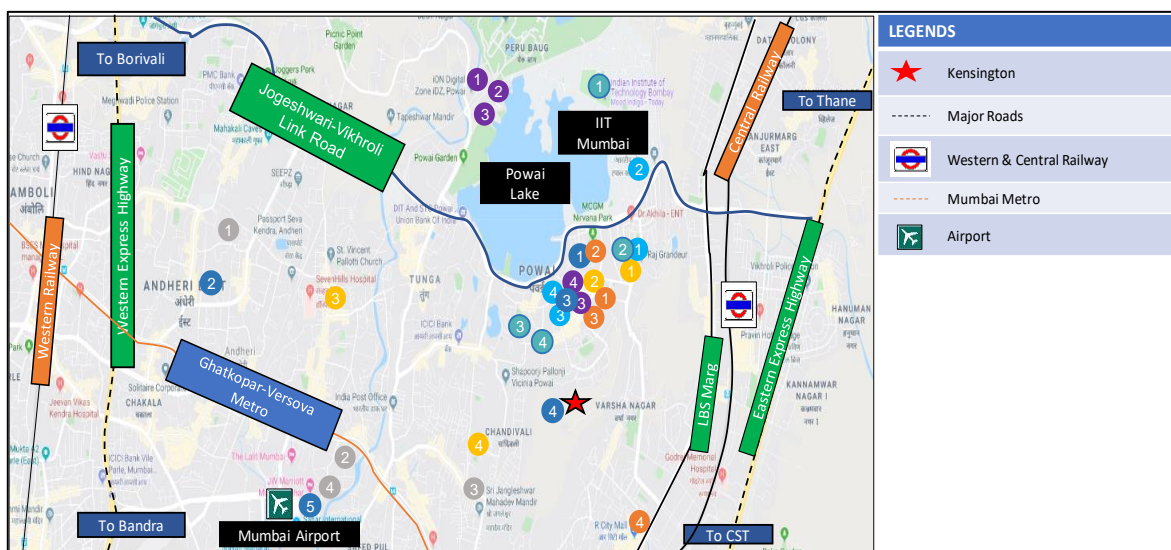
Kensington is located in Andheri & Powai micro market. This micro market in close proximity to talent pool catchment area and also has good accessibility and connectivity with the major hubs and transport nodes. Further the REIT asset is a Grade A asset with developed office ecosystem and caters to multinational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

The average quoted\* monthly Grade A rentals for office space in subject micro market ranges from INR 90 – 140 psf / month and the typical lease tenure is 3+3+3 years with first 3 years as lock – in period.

*\* Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.*



## 2.2 Social and Physical Infrastructure



Source: Cushman & Wakefield Research

(Map not to scale)

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

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Delphi (1.4 km)	1. Hiranandani Hospital (1.5 km)	1. Galleria (1.6 km)	1. Lodha Supremus (6.5 km)	1. Ramada Plaza (4.8 km)	1. IIT Powai (4.0 km)
2. Kanakia Wall street (7.8 km)	2. Hiranandani School (1.4 km)	2. Binge Central (1.4 km)	2. Business Tower B	2. Renaissance Hotel (4.5 km)	2. IBS Business School (2.0 km)
3. Ventura (2.4 km)	3. Sevenhills Hospital (7.2 km)	3. Haiko (1.1 km)	3. Times Square C Wing (6.5 km)	3. Lakeside Chalet (4.5 km)	3. Chandrabhan Sharma College (2.0 km)
4. Supreme Business Park (0.4 km)	4. Nahar International School (4.0 km)	4. R-City Mall (4.3 km)	4. Skyline Icon-Wing 2 (6.6 km)	4. Meluha- The Fern (1.7 km)	4. S.M. Shetty College (1.5 km)
5. The ORB (6.5 km)				5. Rodas An Ecotel (1.6 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. Further, Metro Line-6 is under-construction on JVLR which will further boost the connectivity of the micro market from different parts of the city. The 14.47 km long Lokhandwala-Jogeshwari-Vikhroli-Kanjurmarg Metro-6 corridor is to have 13 stations and cost Rs. 66,720 Million. It will be an elevated corridor. Powai Lake metro station and IIT Metro

station will be the nearest metro stations from the Subject Property. Further, Metro Line-6 will be connected to Metro Lines 2A, 3 & 7 which are also under construction.

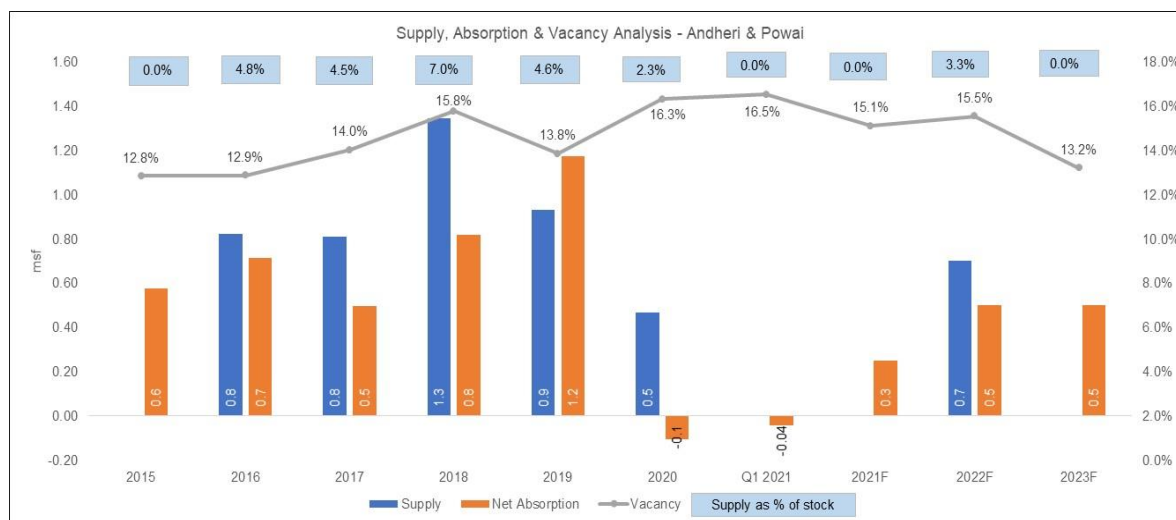
### 2.3 Key Statistics

Particulars	Details
<b>Total completed stock (Q1 2021)</b>	Approximately 20.67 million sq. ft.
<b>Current occupied stock (Q1 2021)</b>	Approximately 17.26 million sq. ft.
<b>Current Vacancy (Q1 2021)</b>	Approximately 16.5%
<b>Avg. Annual Net Absorption (2015 – Q1 2021)</b>	Approximately 0.58 million sq. ft.
<b>Future Supply (Q2 2021 E – 2023 E)</b>	Q4 2021: Nil
	2022: Approximately 0.70 million sq. ft.
	2023: Nil

Source: Cushman & Wakefield Research

## 2.4 Supply, Absorption & Vacancy Trend Analysis

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



Source: Cushman & 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. Vacancy estimates are based on supply and absorption trends.
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 occupies the building.

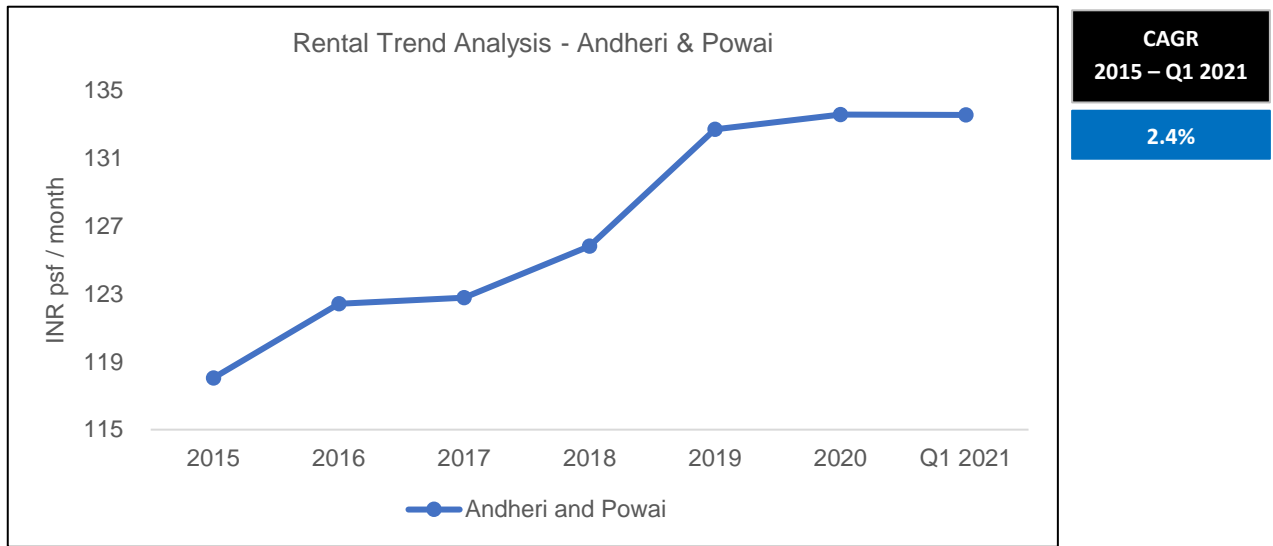
Office space demand in Andheri & Powai micro market has increased over the past few years owing to demand from Global Capability Centers (GCC) and professional services companies. Average annual absorption in the micro market is ~0.58 million sq. ft. (2015 – Q1 2021). This micro market has gained increased 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 in this micro market has been range bound due to continuous supply of smaller office spaces. However, vacancy in Q1 2021 stood at 16.5%. Further, Q2 2021 E – 2023 E future supply of ~0.70 million sq. ft. is expected to be delivered in this micro market though, majority of the upcoming supply in the micro market is not comparable to the REIT asset.

Owing to the resilience shown by the commercial real estate sector, following the near term disruptions caused by Covid 19, we expect the micro-market vacancy to reduce to 15.1% in by end of 2021. Further, as the situation stabilizes and the infrastructure developments starts to take its shape, we expect increased demand and traction from the occupiers, thereby, vacancy is expected to further reduce to 13.2% by 2023.

## 2.5 Rental Trend Analysis

The rental trend for Andheri & Powai is as follows:

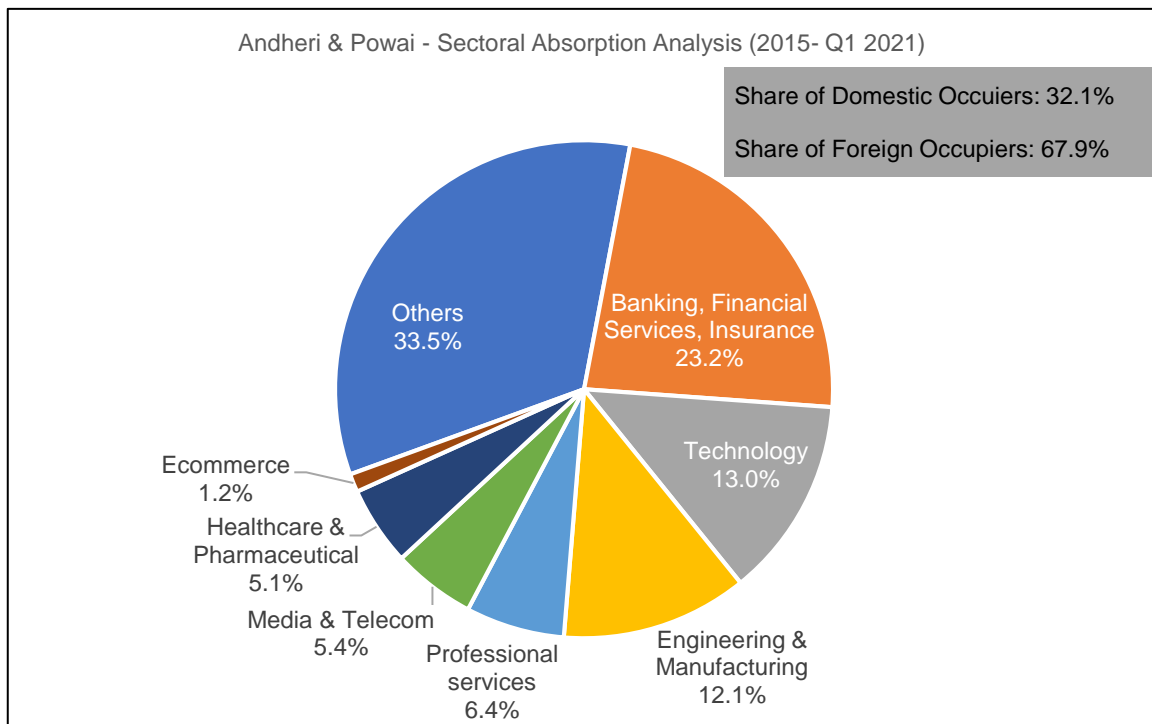


Source: Cushman & Wakefield Research

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 since 2015. The rentals in this micro market are in the range of INR 120 – 140 psf / month on leasable area. This micro market is also witnessing an increased traction from GCCs because of enhanced connectivity and proximity of the micro market to residential and talent pool catchment areas. The rental CAGR for the Andheri & Powai micro market stood at 2.4% during the period 2015-Q1 2021, in spite of the near stagnant rents since 2019.

**2.6 Sectoral Demand Analysis – (2015 – Q1 2021)**



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 23.2% of leasing activity in Andheri & Powai micro market followed by Technology which contributed 13.0% to the leasing activity. VBPO India leased ~ 70,000 sq.ft. leasable area of space in this micro market during Q4 2020. Technology tenants such as Regus Suburb Centres Private Limited and Bauer Corporate Services also leased spaces in this micro market thereby making Technology sector the second most dominant sector in this micro market.

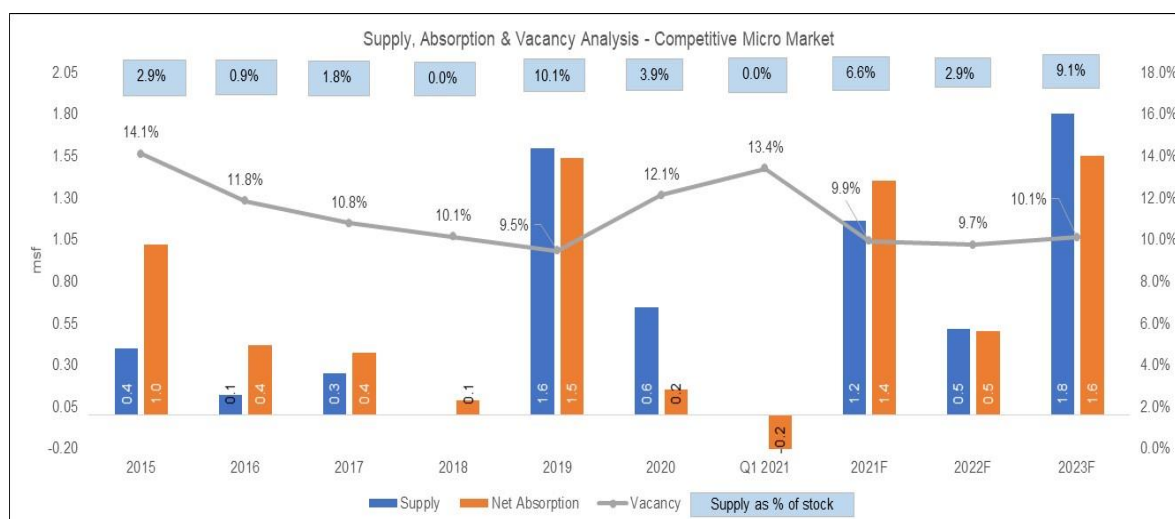
Further, ~67.9% of the occupiers in this micro market are foreign MNCs as the micro market consists of quality grade A buildings and is easily accessible due to the physical and social infrastructure present in the micro market.

### 3 Competitive REIT Micro Market

#### 3.1 Overview

The Subject Property is a Grade A asset with a developed office ecosystem catering to multinational tenants and having bigger floor plate. Keeping in mind parameters such as proximity, tenant profile, grade of asset and certain additional criteria the peer set (assets comparable to the Subject Property) of the Subject Property is also present in two other micro markets viz. Malad Goregaon and Eastern Suburbs. Hence, the comparable set of 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 Supply, Absorption & Vacancy Analysis



Source: Cushman & Wakefield Research

Notes:

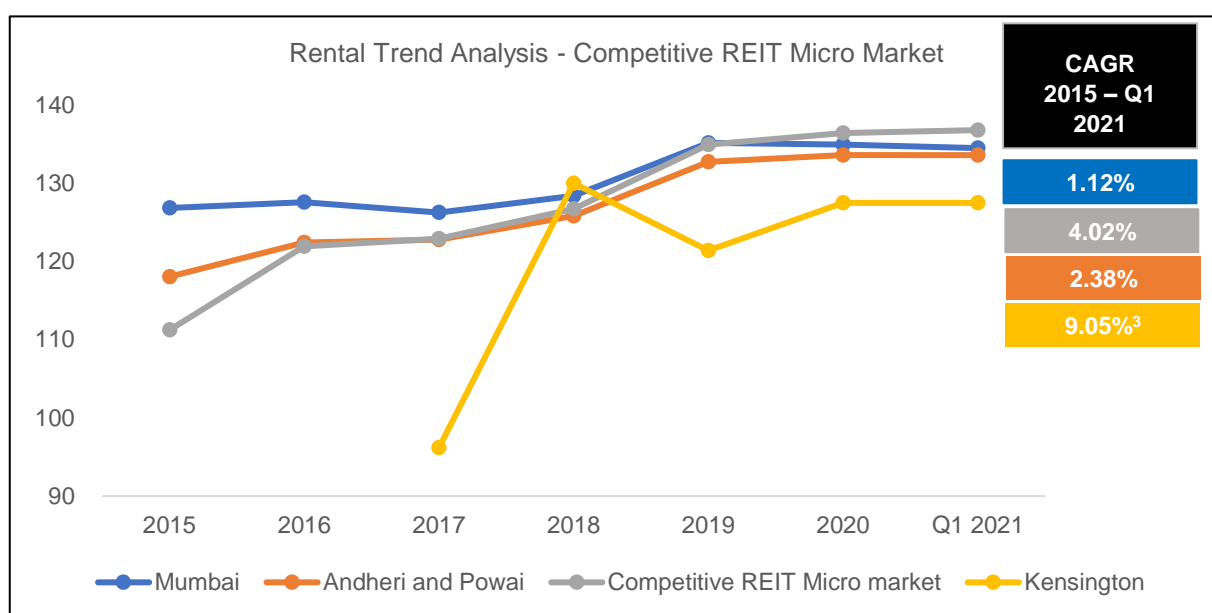
1. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply. Vacancy estimates are based on supply and absorption trends.

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 occupies the building.

As of Q1 2021, approximately 16.35 million sq. ft. of Grade A stock is present in the Competitive REIT Micro Market of which ~72.4% (11.84 million sq. ft.) is IT stock. Net absorption was ~-0.21 million sq. ft. during Q1 2021. Absorption in Competitive REIT Micro Market led by BFSI and Technology tenants has consistently outpaced the total supply which has led to vacancies declining to 9.5% in 2019 from 14.1% in 2015. However, due to the outbreak of COVID-19, the vacancies increased to ~13.4% by Q1 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, Deloitte etc. both in technology and financial services sector for their expansion and consolidation. Given that entirely of the new supply expected in 2021 is pre-committed, we expect the vacancy to reduce to 9.9% by end of 2021.

Between Q2 2021 and 2023, a total of 3.48 million sq. ft. of supply is expected in this micro-market against a demand of 3.66 million sq. ft. Further, of the ~3.48 million sq. ft. of new supply which is expected to be delivered by the year 2023 in the Competitive REIT Micro Market ~67.0% of it is already pre-committed. In the recent years this Competitive REIT Micro Market has witnessed major traction and movements from other micro markets with occupiers such as JP Morgan & Chase, KPMG, etc. expanding or consolidating their offices in this location. Majority of these tenants have shown interest in this Competitive REIT Micro Market primarily keeping in mind attributes such as availability of quality space in larger parks, location of the buildings, expansion and / or consolidation strategies which provide the occupiers with synergistic benefits, larger floor plates etc. We expect vacancy to remain stable around 10% by 2023.

### 3.3 Rental Trend Analysis



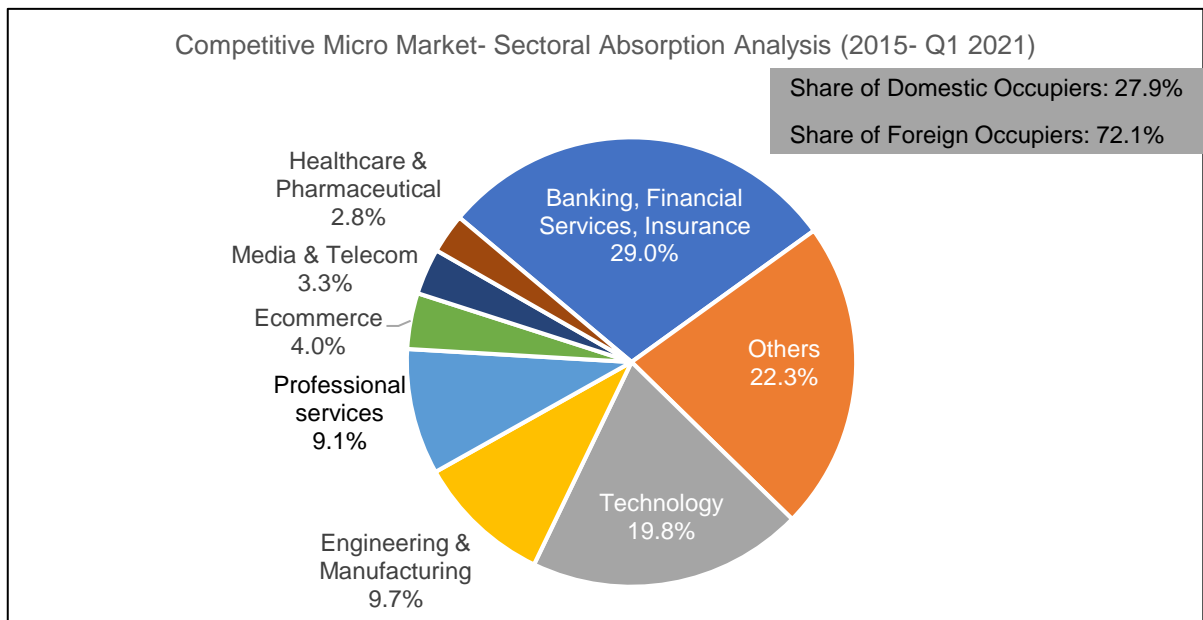
Source: Cushman & Wakefield Research

Note:

1. 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.
2. Rentals for Kensington have been sourced from client. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. CAGR from 2017-Q1 2021.

Due to increasing traction in competitive REIT micro market, the rentals in competitive REIT micro market have witnessed an increasing trend since 2015. The rentals in this micro market are in the range of INR 110 – 140 psf / month on leasable area. This micro market is also witnessing an increased traction from GCCs because of enhanced connectivity and proximity of the micro market to residential and talent pool catchment areas. Further, the rental trends in the competitive market for the REIT asset Kensington Towers have also witnessed an increasing rental trend and have surpassed the micro market in recent years. The rental CAGR for the competitive REIT micro market stood at 4.02% for the years 2015 – Q1 2021.

### 3.4 Sectoral Demand Analysis – (2015 – Q1 2021)



Source: Cushman & Wakefield Research

Note: 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 is the biggest micro market 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 such as Deutsche Bank, Nomura, JP Morgan etc. contributed to 29.0% of leasing activity in Competitive REIT micro market. Technology which contributed 19.8% 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 ~9.7% and ~9.1% to the leasing activity respectively.

Further, ~72.1% of the occupiers in this micro market are foreign MNCs as the micro market consists of quality grade A buildings and is easily accessible due to the physical and social infrastructure present in the micro market.



#### 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 110-140 per sq. ft./m, which is broadly in line with the recent leases signed in the Subject Property. Further over 2015-Q1 2021, the rentals in Subject Property's competitive REIT micro market grew at a CAGR of 4.0%.

Although, the competitive REIT micro-market has significant upcoming supply (~3.48 million sq. ft. over 2021-23), but the absorption is expected to keep up with the pace (note: more than half of the upcoming supply is pre-leased). Considering the balanced supply and net absorption profile in the competitive REIT micro-market, improvements in connectivity and upcoming infrastructure, an annual growth rate of 5-7% in market rents appears achievable.

The outbreak of COVID-19, declared by the World Health Organisation as a Global Pandemic on the 11 March 2020, and has continued to impact many aspects of daily life and the global economy. Individual markets have reacted differently to the COVID-19 outbreak, aftermath and further waves. Travel, movement and operational restrictions have been implemented by many countries. In some cases, lockdowns have been applied to varying degrees and to reflect further waves of COVID-19. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

In India as well, the government has adopted similar measures to contain the spread of COVID-19 which has caused business disruption impacting the economic activity. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

As per WHO, there are more than 250 COVID-19 vaccine candidates at different stages of trials. COVID-19 vaccine in India was launched on 16 January 2021. This was initially deployed to essential services workers and senior citizens. The coverage has now been expanded to people aged 18 years and above and with increased coverage in subsequent months, it can reasonably be expected that disruptions caused by the pandemic would subside in the coming year.

The commercial real estate sector has so far shown reasonable resilience to the disruptions caused by Covid-19. With the gained intelligence about the pandemic and rapid progress witnessed in the development and deployment of the vaccine, we expect the corporates to resume their operations from their respective office spaces, as the situation starts to stabilize soon. This is expected to be followed by the demand for commercial office spaces, which have been vacated due to pandemic over the last year, to come back and then the demand for additional commercial office spaces is expected to arise, as the deferred corporate decision-making starts to materialize.

Therefore, we expect slow recovery in the demand for commercial real estate in short to mid term before the demand resumes its long-term trajectory.

## **C      PROPERTY REPORT**

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

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

### 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.

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



(Map not to scale)

The site boundaries for the Subject Property are as follows:

North: South Avenue Road

East: Hiranandani Gardens

South: Forest Area

West: 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 its proximity to the residential areas, well developed social infrastructure and the upcoming metro stations (IIT - 1.6 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 04 km from LBS Marg
- Approximately 04 km from IIT Powai
- Approximately 05 km from Kanjurmarg Railway Station
- Approximately 05 km from Eastern Express Highway
- Approximately 08 km from Chhatrapati Shivaji International Terminal
- Approximately 08 km from Western Express Highway
- Approximately 14 km from Mumbai Domestic Terminal
- Approximately 16 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 Details

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 (#)	Floor Plate (sq. ft.)	Status	Expected Completion Date	Quarters to Lease
Kensington A*	837,062	13	64,389	Completed	NA	4
Kensington B	707,318	13	54,409	Completed	NA	NA
<b>Total</b>	<b>1,544,380</b>					

Source: Architect's Certificate (Dated: 31 March 2021), Rent Roll as on 31 March 2021, Lease Deeds/Leave and License 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). The income for the said area is included in the "Other Income".

### 3.1 Key Asset Information

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

Particulars	Details
<b>Entity:</b>	Festus Properties Private Limited
<b>Interest owned by Brookfield India 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) - 11 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<sup>2</sup>:</b>	1,544,380 sq. ft.
<b>Occupied Area:</b>	1,335,308 sq. ft.
<b>Committed Occupancy (%)<sup>3</sup></b>	86.5%
<b>Current Effective Rent (excluding parking)<sup>4</sup></b>	INR 91 per sq. ft. per month (exclusive of ATM and Telecom income)
<b>Current Effective Rent (excluding parking)<sup>4</sup></b>	INR 92 per sq. ft. per month (inclusive of ATM and Telecom income)
<b>Number of Tenants</b>	8 (Office)

Source: Architect's Certificate (Dated: 31 March 2021), Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information.

Notes:

1. Refer company structure set out in Annexure 1
2. Total leasable area includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq Ft). The income for the said area is 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 2021. Kensington has 1,721 car parks, of which 38 car parks are paid and remaining are free. 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 26 March 2021. 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 common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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.

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 151 Million has been provisioned, to be spend by FY 23, for asset upgradations relating to food court, lobby, podium, etc. In addition to above, from FY 24 onwards, 2.0% of rental income (including parking income) has been provisioned for maintenance of the premises.



### 3.3 Investigation, 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 properties proposed to be part of the REIT.

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

- 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 certificate (Dated: 31 March 2021) mentioning site areas and property areas
- c. Relevant approval documents from competent authorities regarding committed occupancy, operations and fire safety with respect to specific buildings in the Subject Property
- d. Lease agreements and commercial clauses thereof for top ten 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 March 2021, Subject Property has 8 tenants (for office space) occupying space in the subject property, which include companies like TCS, Cognizant, Wipro, Baker Hughes, Crisil Ltd, L&T, Apollo etc. The Subject Property's top 5 tenants account for ~81.3% of leasable area and ~90.9% of gross rental income.

Rank	Top 5 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Tata Consultancy Services	8,81,898
2	Cognizant Technology Solutions India Pvt Ltd	1,23,280
3	Wipro Ltd	1,03,740
4	Baker Hughes	75,157
5	Crisil Ltd*	71,810
<b>Total</b>		<b>1,255,885</b>

Source: Rent Roll as on 31 March 2021 and Client Information

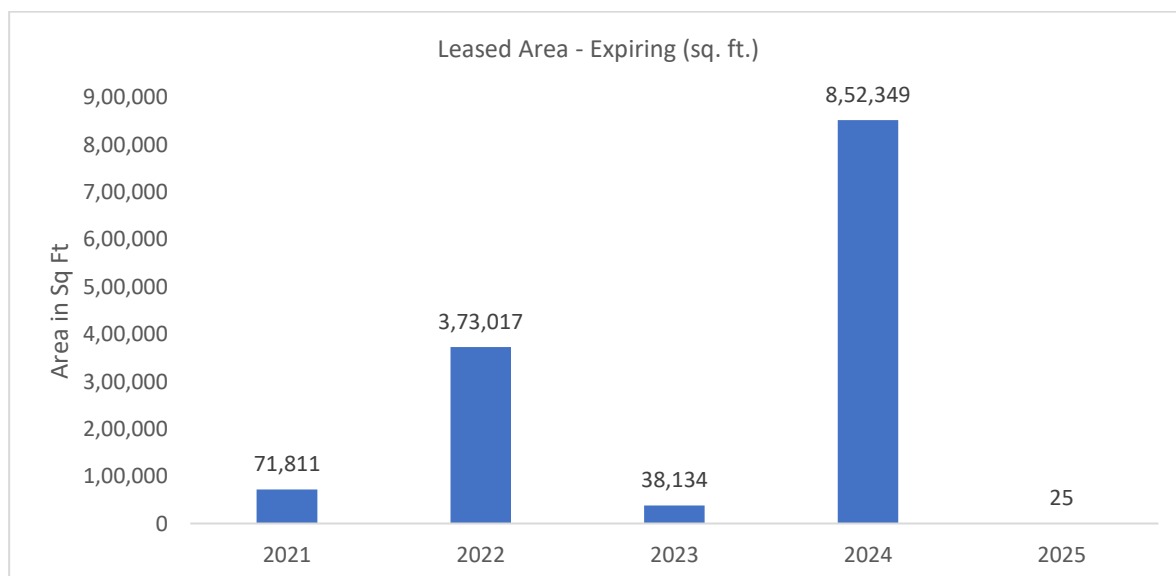
Rank	Top 5 Tenants according to Gross Rentals	Share of Gross Rentals
1	Tata Consultancy Services	56.4%
2	Wipro Ltd	10.7%
3	Cognizant Technology Solutions India Pvt Ltd	9.9%
4	Baker Hughes	8.2%
5	Crisil Ltd*	5.7%
<b>Total</b>		<b>90.9%</b>

Source: Rent Roll as on 31 March 2021 and Client Information

Note: \*As per rent roll, 71,810 sq. ft. of space occupied by Crisil is scheduled to expire on Q1 FY 2022.

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the property is 2.14 years, with 36.2% of occupied area expiring between 2021 and 2023 as shown in the chart below.



Source: Rent Roll as on 31 March 2021 and Client Information

## 4 Valuation Methodology

In order to compute the Market Value of the Subject Property it is prudent to understand the market dynamics and the location where the Subject Property is located (existing and future supply, demand from occupiers, average office space take up by an occupier in a particular sector, existing vacancy numbers and the rentals, likely growth of the office space etc.). Understanding of the micro market positioning (where the Subject Property is located) with respect to a location is also very important. The next step then becomes to understand the situation of the Subject Property (current achievable rentals, vacancy numbers, competing supply in the micro market etc.) with respect to the micro market.

Each of the step required to assess the Market Value of the Subject Property is detailed below.

### 4.1 Market and Location Assessment:

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

- i. Market dynamics influencing the rents along with Subject Property rents were studied in detail. Further, the location setting of the Subject Property in the respective micro-markets were assessed. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by CWI and readily available information in public domain to ascertain the transaction activity of office space. The analysis entailed review of comparable properties in terms of potential competition (both completed and under-construction/future developments), comparable recent lease transactions witnessed in the micro-market along with the trends in leasing within the Subject Property in recent past, wherever available. This analysis enabled the Valuer to have an informed opinion on the market rent (applicable rental for the micro-market where the respective Subject Property are located) and achievable market rent (Valuer's view on achievable rent for the respective Subject Property for leasing vacant spaces, potential leasable area under development or planned as well as upon re-leasing of the existing let out area).
- ii. For tenants occupying relatively large space within the Subject Property, where there may be some instances of areas being let out at lower than market rent, it is assumed that the leases shall revert to market rent following the expiry of the lease, factoring appropriate re-leasing time.

### 4.2 Portfolio Assessment:

- i. As the first step, the rent rolls (which includes review of corresponding leases deeds) on a reasonable sample basis were reviewed to identify tenancy characteristics for the Subject Property. As part of the rent roll review, major tenancy agreements were reviewed on a reasonable sample basis.
- ii. For anchor/large tenants, adjustments on achievable market rent or additional lease-up timeframe have been adopted upon lease reversion wherever relevant.
- iii. Title Report, Architect's certificate (Dated: 31 March 2021) 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.
- iv. Physical site inspections were undertaken to assess the current status of the Subject Property.

### 4.3 Preparation of Future Cash Flows:

- i. Net operating income (NOI) has primarily been used to arrive at the Market Value of the Subject Property. The cash flows for the operational, under construction and future development area have

been projected separately for the purpose of estimating and reporting valuation in accordance with the SEBI (REIT) Regulations

- ii. The projected future cash flows from the property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Property. For vacant area, under-construction area and future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation wherein 11<sup>th</sup> year NOI is capitalized (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.

Each of the lease was assessed to project the cash flows for a period of 10 years. The assessment was carried out in the following manner:

<b>Step 1</b>	Rental income from existing tenants up to the period of lease expiry, lock-in expiry, escalation milestones, etc. is projected whichever is applicable. In the event of any vacant spaces, achievable market-rent is assumed for future income for such spaces with suitable time for leasing up the space.  This data is then used to generate market aligned revenue stream from existing and potential tenants for the desired time period.
<b>Step 2</b>	In the event the escalated contracted rent is higher than the achievable market rent by 15%, the contracted terms are ignored, and the terms are reverted to market. In the event the escalated contracted rent is below 115% of the achievable market rent, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental income for respective leases until lease expiry as well as post expiry.
<b>Step 3</b>	Computing the monthly rental income projected as part of Step 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).

- iii. Recurring operational expenses, fit-out income (wherever applicable, however, the same has not been included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provision have been adopted in-line with prevalent market practices and conditions. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For all Subject Property, operational revenues and expenses of the respective properties 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 and normalised for the purpose of cash flow projections. The 1-year forward income for the 11<sup>th</sup> year has been capitalized to assess the terminal value of the development at the end of year 10.

**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 has 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

The following assumptions have been made to arrive at the market value of the Subject Property as on 31 March 2021:

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-21
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-31

### Property details

Property Details	Unit	Details
Total Property Leasable Area*	sq. ft.	1,544,380
Area Leased	sq. ft.	1,335,308
Committed Occupancy**	%	86.5%
Vacant Area	sq. ft.	209,046
Vacancy	%	13.5%
Stabilized Vacancy	%	2.5%
Further Leasing	sq. ft.	170,438
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases (First Year)	Months	4
Rent Free Period- Existing Leases - Post First Year	Months	2
Rent Free Period- New Leases	Months	4
Total Parking Bays	#	1,721
Paid Parking Bays	#	38
Estimated Leasing Period	# of quarters	3

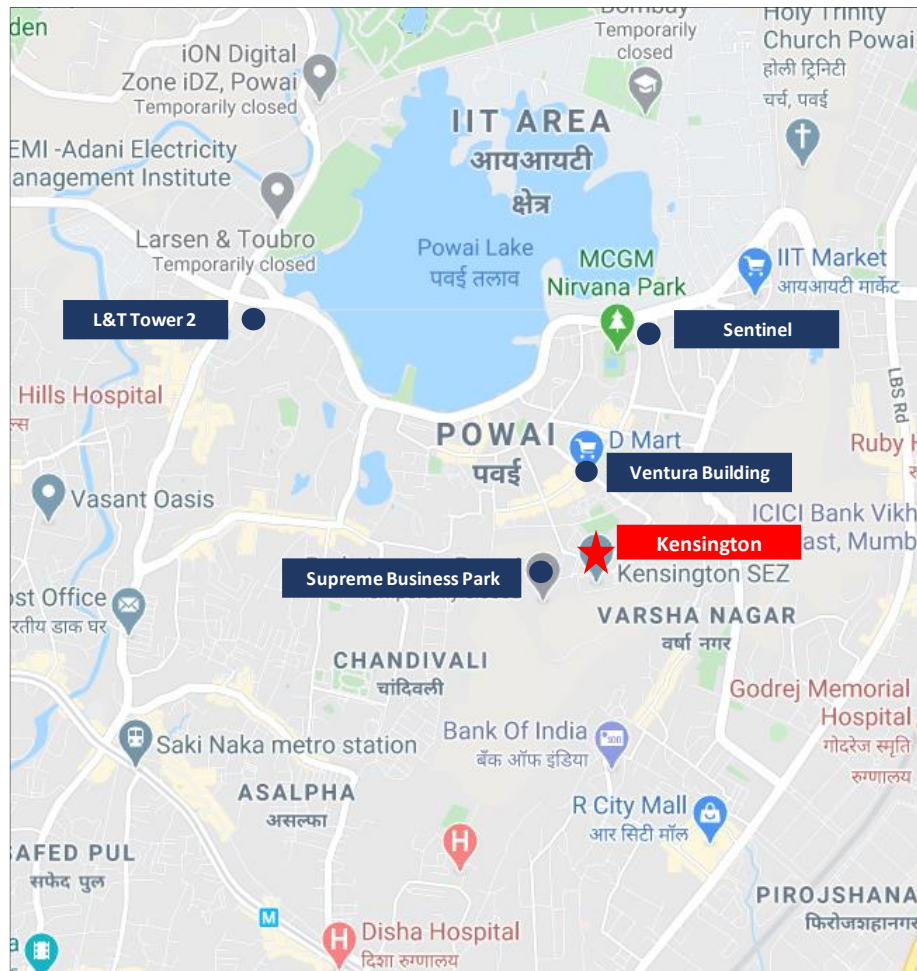
\*Total leasable area for Kensington A includes area occupied by "Hitachi Payment Services Pvt Ltd" for ATM purpose (25 Sq Ft). The income for the said area is included in the "Other Income".

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

Note:

- Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.
- In addition to the vacancy as stated in the table above, the space, which is currently occupied by Crisil, would be vacated by Q1 FY 2022. Considering the said Crisil space, the vacancy shall be 18.2% (vs 13.5% as shown in above table) and estimated leasing period shall be 4 quarters (vs 3 as shown above table).
- **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. Amidst temporarily suppressed demand in commercial office space, we expect the tenants being offered an additional two month of rent-free period for all the existing lease rollovers happening within the upcoming 12 months (i.e. from 1 April 2021) in order to retain and support them.
- **Future absorption:**
  - Over 2015-Q1 2021, the subject property's competitive REIT micro market has witnessed an average annual net absorption of approximately 0.5 million sq. ft.
  - Going forward, the Subject Property's competitive REIT micro market is expected to have an average annual demand of approximately 1.2 million sq. ft. per annum over CY 2021-2023.
  - 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 13.6%.

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



- Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease 0.24 million sq. ft. within four quarters from January 2022.
- Further leasing of 0.24 million sq. ft. has been assumed after incorporating a 2.5% stabilised vacancy, which is a standard for Grade A office properties.
- We have considered additional nine months delay in leasing for the vacant spaces (i.e. leasing of vacant area is assumed to begin from 1 January 2022), due to temporarily suppressed demand in the commercial office space.

**Revenue Assumptions**

Revenue Assumptions	Unit	Details
Achievable Market Rent – Office	Per sq. ft. per month	INR 120.00
Market 4W Parking Rent*	Per bay per month	INR 5,000.00
Rental Growth rate – (until FY 24)	% p.a.	5.0%
Rental Growth rate – (for FY 24 – FY 25)	% p.a.	7.0%
Rental Growth rate – (for FY 26 onwards)	% p.a.	5.0%
CAM/O&M Margin Growth Rate	% p.a.	5.0%
Normal Market Lease Tenure	# of years	9
Normal Market Escalation at end	# of years	1
Market Escalation at the end of escalation period	%	4.75%
CAM/O&M Income for future leases	Per sq. ft. per month	INR 10.4

\*Note: The Subject Property has 1,721 car parks, of which 38 car parks are paid and remaining are free. 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.

- **Achievable market rent – office:**

- During 2019 to Q1 2021, approximately 0.15 million sq. ft. was leased in the rental range of INR 120-125 per sq. ft. per month.

**Lease Transactions 2019 – Q1 2021**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft)
Wipro Ltd	2019	103,740	120
L&T Hydrocarbon Engineering	2019	41,289	125

Source: Rent Roll as at 31 March 2021 and Client Information

- Considering the location, accessibility, quality, size of the building, and keeping in view that the absorption is expected to match the future supply in the competitive REIT micro-market, we expect 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 120 per sq. ft. per month.

- **Rental 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 5-7% in the medium to long term.

However, due to current market condition we have not assumed any rental escalation for next 12 months. Post this we have considered an annual rental growth of 5.0% until FY 23. This is expected to be followed by an accelerated annual rental growth rate of 7.0% during FY 24 to FY 25, as the markets gain momentum coming out of the Covid related slowdown, before the micro-market re-aligns to its long-term growth trajectory of 5.0%.

- **Market rent – 4W parking:** Rent for car parks are assumed at INR 5,000 per bay per month in line with the current rentals for paid car parks in the Subject Property.
- **Other income:** We have been provided with other income for Visitor Car Park, ATM, Telecom Towers income. We have considered an annual growth of 5.0% on other income.



- **CAM/O&M Income:** As per the information provided to us by client, O&M margin being earned by the Subject Property varies from 0% to 20% on CAM/O&M expenses for various tenants. As provided by the client, we have considered FY20 budgeted CAM/O&M income of INR 9.93 per sq. ft., per month (duly adjusted for inflation) for all the rollovers/new leases. The escalation is effective 1 April of every year.
- **Efficiency:** As per our market study, we understand that the efficiency of Subject Property is in line with the efficiency of other IT office space developments. Hence, we have not made any adjustments regarding the same for our valuation analysis.

#### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (Renewal/Release)	Month Rent	2 Month Rent
Brokerage cost (New Lease)	Month Rent	2 Month Rent
Current CAM/O&M Cost	Per sq. ft./month	INR 8.82
Property Tax	Per sq. ft./month	INR 3.91
Cost escalation	% p.a.	5.0%
Transaction Cost on Sale	% of Terminal Value	1.0%

- **Brokerage:** In accordance with the market benchmarks for Grade A property, we have assumed brokerage expense amounting to two months for new leases and existing lease rollovers.
- **Property tax and Insurance Cost:** Property Tax has been considered at the same level as FY 20-21 and projected to increase at 5.0% per annum. Insurance cost forms a part of CAM/O&M cost.
- **Transaction cost** has been assumed at 1.0% 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. 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 8.00% 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
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	8.0%
Tishman Speyer - GIC	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.

- **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% 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 complete ownership interest in the 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 21	INR 25,492 Million	Indian Rupees Twenty-Five Billion Four Hundred and Ninety-Two Million Only

### Ready Reckoner Rate

Component	Rate
Built up Area	INR 24,116 per sq. ft.
Land Area	INR 7,488 per sq. ft

*\*For reference, please refer Annexure 7*

I, Shubhendu Saha, the Valuer for the Subject Property, hereby declare that:

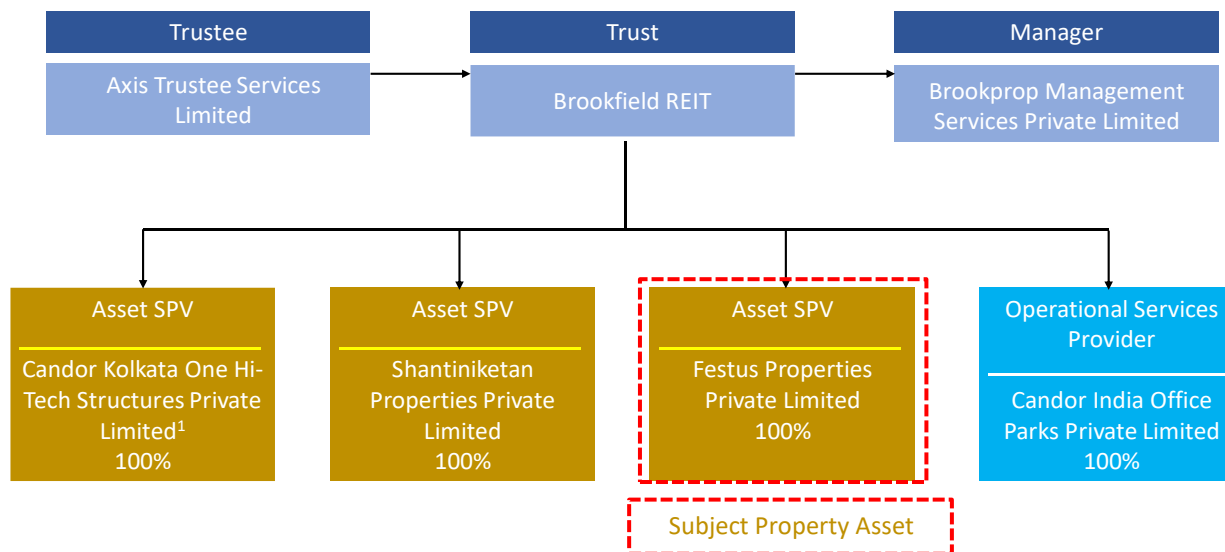
- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate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

Prepared by



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

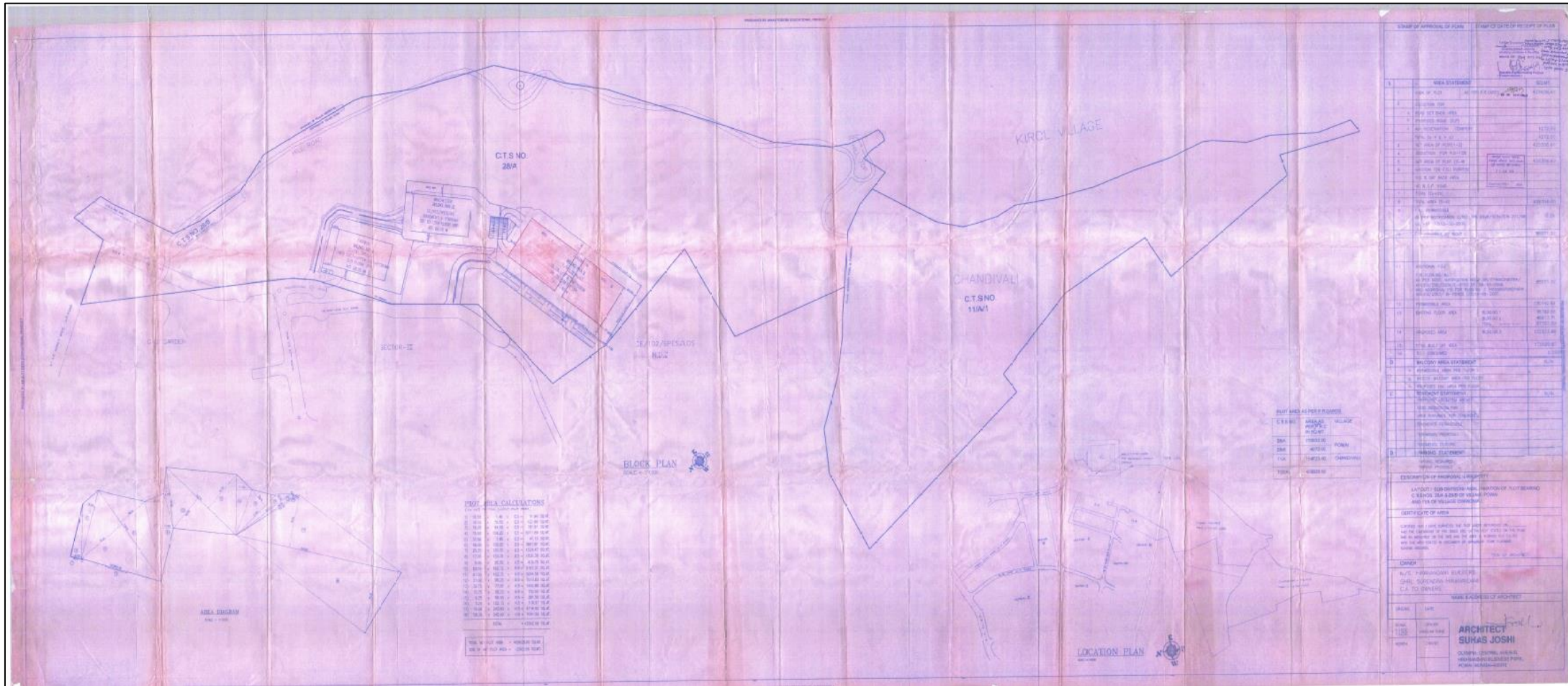
**Annexure 1: Ownership Structure of Subject Property**



**Note:**

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 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 2: Property Layout Plan**



Source: Client Information



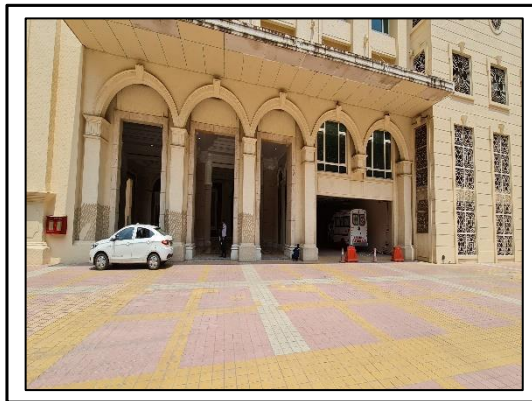
**Annexure 3: Property Photographs**



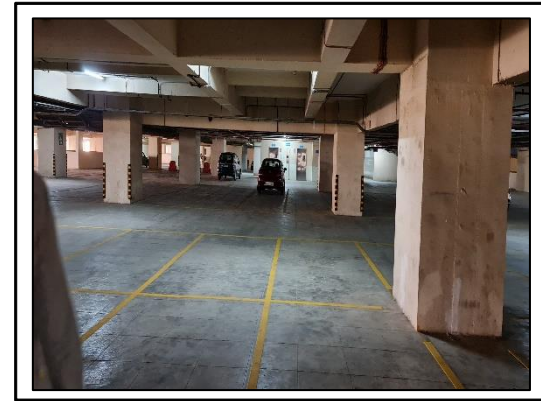
Building (A & B) – Front View



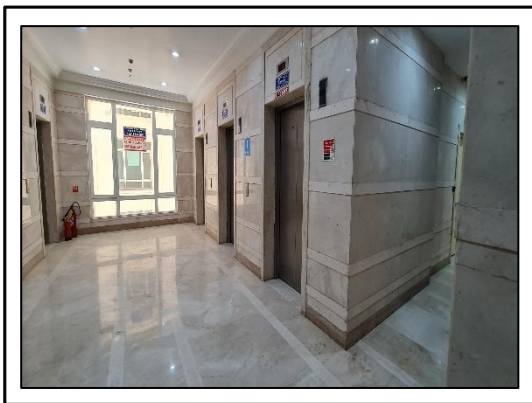
Building (A & B) – Rear View



Building Lobby



Parking Area



Building Lift & Lobby Area



Building Terrace Area

**Annexure 4: Statement of 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 5: 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 (Dated: 31 March 2021)

**Annexure 6: Cash Flows – Completed Buildings with Occupancy Certificate (OC) received (Kensington A & B)**

Particulars	Unit	01-Apr-21	01-Apr-22	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
		31-Mar-22	31-Mar-23	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
<b>OPERATING INCOME</b>												
Lease Rentals	INR Million	1,423.1	1,610.9	1,996.3	1,421.6	2,549.2	2,755.1	2,886.0	3,023.1	3,166.7	3,295.7	3,521.8
Parking Income	INR Million	2.6	2.7	2.7	2.7	2.9	3.0	3.2	3.3	3.5	3.7	3.9
ATM Income	INR Million	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8	2.9
O&M Income	INR Million	118.9	160.3	185.5	139.1	229.1	240.6	252.6	265.2	278.5	292.4	307.0
Other Income (Telecom)	INR Million	1.2	1.3	1.3	1.4	1.5	1.5	1.6	1.7	1.8	1.9	2.0
<b>Total Income</b>	INR Million	<b>1,547.6</b>	<b>1,777.0</b>	<b>2,187.8</b>	<b>1,566.9</b>	<b>2,784.8</b>	<b>3,002.5</b>	<b>3,145.8</b>	<b>3,295.9</b>	<b>3,453.1</b>	<b>3,596.4</b>	<b>3,837.6</b>
PMF Recovery	INR Million	15.5	17.8	21.9	15.7	27.8	30.0	31.5	33.0	34.5	36.0	38.4
<b>Total Income from occupancy</b>	INR Million	<b>1,563.1</b>	<b>1,794.7</b>	<b>2,209.7</b>	<b>1,582.5</b>	<b>2,812.7</b>	<b>3,032.6</b>	<b>3,177.2</b>	<b>3,328.8</b>	<b>3,487.6</b>	<b>3,632.4</b>	<b>3,876.0</b>
<b>OPERATING COSTS</b>												
O&M cost	INR Million	(163.5)	(171.6)	(180.2)	(189.2)	(198.7)	(208.6)	(219.1)	(230.0)	(241.5)	(253.6)	(266.3)
Property Taxes	INR Million	(72.5)	(76.1)	(79.9)	(83.9)	(88.1)	(92.5)	(97.1)	(101.9)	(107.0)	(112.4)	(118.0)
Property Management Fee	INR Million	(46.4)	(53.3)	(65.6)	(47.0)	(83.5)	(90.1)	(94.4)	(98.9)	(103.6)	(107.9)	(115.1)
<b>Total Operating Costs</b>	INR Million	<b>(282.3)</b>	<b>(301.0)</b>	<b>(325.7)</b>	<b>(320.1)</b>	<b>(370.3)</b>	<b>(391.2)</b>	<b>(410.5)</b>	<b>(430.8)</b>	<b>(452.2)</b>	<b>(473.9)</b>	<b>(499.4)</b>
<b>Net operating Income</b>	INR Million	<b>1,280.7</b>	<b>1,493.7</b>	<b>1,883.9</b>	<b>1,262.4</b>	<b>2,442.4</b>	<b>2,641.4</b>	<b>2,766.7</b>	<b>2,898.0</b>	<b>3,035.5</b>	<b>3,158.5</b>	<b>3,376.6</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	42,207.2	-
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(422.1)	-
Fit Out Income	INR Million	14.6	7.8	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	INR Million	<b>1,295.3</b>	<b>1,501.6</b>	<b>1,883.9</b>	<b>1,262.4</b>	<b>2,442.4</b>	<b>2,641.4</b>	<b>2,766.7</b>	<b>2,898.0</b>	<b>3,035.5</b>	<b>44,943.6</b>	-
Maintenance Capital Expenditure	INR Million	-	-	(40.0)	(28.5)	(51.0)	(55.2)	(57.8)	(60.5)	(63.4)	(66.0)	-
Brokerage Expenses	INR Million	(14.5)	(139.8)	(10.3)	(168.8)	(81.0)	-	-	-	-	(23.4)	-
Capital Expenditure	INR Million	(75.6)	(75.6)	-	-	-	-	-	-	-	-	-
<b>Net Cashflows</b>	INR Million	<b>1,205.3</b>	<b>1,286.2</b>	<b>1,833.7</b>	<b>1,065.2</b>	<b>2,310.4</b>	<b>2,586.2</b>	<b>2,708.9</b>	<b>2,837.4</b>	<b>2,972.1</b>	<b>44,854.2</b>	-
Discount Rate		<b>11.75%</b>										
NPV as on 31-Mar-21 (INR Million)		<b>25,492</b>										
INR per sq. ft.		<b>16,507</b>										

Note:

- Property Management Fee of 3.0% of Total Income is levied by the Kairos (**Kairos Property Managers Private Limited**) to Festus. Of this Property Management Fee, around 1% of the Total Income is usually recovered as re-imbursment of the property management expense from the tenants. While this recovery is not expected in FY21, going forward it is planned to recover similar amount from the tenants. Hence, an additional income of 1.0% of Total Income, "PMF Recovery", has been shown as the recovery of the same.

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

**Year** 20202021 **Language** English

**Selected District** Mumbai (suburbs)

**Select Village** Powai - Kurla

**Search By**  Survey No  Location

Select	Subdivision	Open ground	Residential flat	Office	Shops	Industrial	Unit (Rs.)
SurveyNo	Income with more than 114 / 541C-1-5 hectare.	80600	238150	259580	285890	233820	Square meters
SurveyNo	114 / 541C-Land: Income from Navaikas Division in Powai village.	80600	233820	259580	285890	233820	Square meters
SurveyNo	114/541 - Territories: Darshani developed properties on Adishankaracharya Marg.	110720	294470	326880	361260	294470	Square meters
		1 2					

**Survey Number** 28/A

**Year** 20202021 **Language** English

**Selected District** Mumbai (suburbs)

**Select Village** Powai - Kurla

**Search By**  Survey No  Location

Select	Subdivision	Open ground	Residential flat	Office	Shops	Industrial	Unit (Rs.)
SurveyNo	Income with more than 114 / 541C-1-5 hectare.	80600	238150	259580	285890	233820	Square meters
SurveyNo	114 / 541C-Land: Income from Navaikas Division in Powai village.	80600	233820	259580	285890	233820	Square meters
SurveyNo	114/541 - Territories: Darshani developed properties on Adishankaracharya Marg.	110720	294470	326880	361260	294470	Square meters
		1 2					

**Survey Number** 22/6 , 26 , 28B

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

As informed by the client, Kensington has been acquired recently. The upgrade works are currently ongoing, and no specific work has been completed.

**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 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. C&WI, 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 March 2021

Date of Report: 18 May 2021

**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. 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 15 March 2021 without the prior written consent of the Valuer.*

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

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 15 March 2021. 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 March 2021
<b>Valuation Purpose:</b>	Disclosure of valuation of assets forming part of the portfolio of Brookfield REIT in accordance with The SEBI (REIT) Regulations, 2014
<b>Location / Situation:</b>	Candor Techspace K1 is located at Plot No. 1, DH Street no. 316, New Town, Rajarhat, North 24 Parganas, West Bengal, 700156, India (herein after referred to as K1 and/ or Subject Property). K1 is spread over 48.383 acres of land parcel comprising an IT/ITeS SEZ. It is accessible via Major Arterial Road (East-West) on west and via Street No. 368 on north. It is located in an established office micro-market which has witnessed a gradual drift of office space occupiers from Central Business District of Kolkata.
<b>Description:</b>	<p>K1 constitutes 12 completed buildings along with future development area. The listing of buildings under each component is as follows:</p> <p><b>Completed buildings with Occupancy Certificates (OC) received – Tower A1, A2, A3, B1, B2, B3, C1*, C2*, C3*, G1, G2 &amp; G3</b></p> <p>The operational buildings collectively admeasure 3,059,556 sq. ft. of leasable area with 90.6% committed occupancy**.</p> <p><b>Future development</b></p> <p>The future development constitutes IT/ITeS leasable area of 980,448 sq. ft. and mixed-use leasable area of 1,703,541 sq. ft, which are expected to be ready by Q4 FY 2026-27 and Q3 2027-28 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>
<b>Total Area:</b>	<p>Total Land Area: 48.383 Acres</p> <p>Completed Leasable Area: 3,059,556 sq. ft.</p> <p>Future Development Leasable Area: 2,683,989 sq. ft.</p> <p>Total Leasable Area: 5,743,545 sq. ft.</p>



Open space inside the Subject Property



Building A2



Building B1

Source: Architect’s Certificate, \*\*Rent Roll as at 31 March 2021, 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.

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

MARKET VALUE OF THE SUBJECT PROPERTY			
Component	Market Value as on	In Figures	In Words
Completed Building	31 March 2021	INR 21,242 Million	Indian Rupees Twenty One Billion Two Hundred and Forty Two Million Only
Under Construction/ Future Developments*	31 March 2021	INR 4,320 Million	Indian Rupees Four Billion Three Hundred and Twenty Million Only

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

*\*includes 0.52 million sq. ft. of commercial cum retail development out of the total future development of approximately 2.7 million sq. ft., wherein Gurgaon Infospace Limited (GIL) shall pay Candor Kolkata a sum of INR 1,000 million (inclusive of GST) in instalments and be entitled to receive 28% of revenue comprising rentals, CAM margins, parking and any other revenue.*

## CONTENTS

<b>Disclaimer .....</b>	<b>1</b>
<b>Executive Summary .....</b>	<b>2</b>
<b>A REPORT .....</b>	<b>6</b>
1 Instructions .....	6
2 Professional Competency of The Valuer .....	6
3 Independence and Conflicts of Interest .....	7
4 Purpose of Valuation .....	7
5 Basis of Valuation .....	7
6 Valuation Approach & Methodology .....	8
7 Assumptions, Departures and Reservations .....	9
8 Inspection .....	9
9 General Comment .....	9
10 Confidentiality .....	9
11 Authority .....	9
12 Reliant Parties .....	9
13 Limitation of Liability .....	10
14 Disclosure and Publication .....	10
15 Anti-Bribery & Anti-Corruption .....	11
<b>B KOLKATA CITY REPORT .....</b>	<b>12</b>
1 Kolkata City Overview .....	13
1.1 Supply, Absorption & Vacancy .....	17
1.2 Rental Trend Analysis .....	18
1.3 Sectoral Demand Analysis – Kolkata (2015 –Q1 2021) .....	19
2 Rajarhat- Competitive REIT Micro Market .....	20
2.1 Overview .....	20
2.2 Social and Physical Infrastructure .....	21
2.3 Supply, Absorption & Vacancy Analysis .....	23
2.4 Rental Trend Analysis .....	24
2.5 Sectoral Demand Analysis (2015 – Q1 2021) .....	25
2.6 Market Outlook .....	26
<b>C PROPERTY REPORT .....</b>	<b>27</b>
1 Address, ownership and title details of Subject Property .....	28
1.1 Encumbrances .....	28
1.2 Revenue Pendencies .....	28
1.3 Material Litigation .....	28
2 Location .....	28
2.1 General .....	28
2.2 Accessibility .....	29
2.3 Ground Conditions .....	30
2.4 Environmental Considerations .....	30
2.5 Town Planning and Statutory Considerations .....	30
3 Subject Property - Asset Details .....	31
3.1 Key Asset Information .....	32
3.2 Property Inspection .....	34
3.3 Investigation, Nature and Source of Information .....	35
3.4 Tenant Profile .....	36
3.5 Lease Expiry Profile .....	37
4 Valuation Methodology .....	37
4.1 Market and Location Assessment: .....	37
4.2 Portfolio Assessment: .....	38
4.3 Preparation of Future Cash Flows: .....	38
4.4 Information Sources .....	39
5 Assumptions considered in Valuation .....	40
6 Market Value .....	49
Annexure 1: Ownership Structure of Subject Property .....	50
Annexure 2: Property Layout Plan .....	51
Annexure 3: Property Photographs .....	52

Annexure 4:	Statement of Assets .....	54
Annexure 5:	List of Sanctions and Approvals.....	55
Annexure 6:	Cash Flows – Completed Buildings (Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3) .....	56
Annexure 7:	Ready Reckoner Rate and Land Rate.....	59
Annexure 8:	Major Repairs Undertaken and Proposed in the Subject Property .....	61
Annexure 9:	Caveats & Limitations.....	62

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

**To:** Brookfield India Real Estate Trust

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

**Report Date:** 18 May 2021

**Valuation Date:** 31 March 2021

## **A REPORT**

### **1 Instructions**

Brookfield India Real Estate Trust (hereinafter referred to as the “**Instructing Party**” or the “**Client**”), has appointed Mr. Shubhendu Saha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “**Valuer**”), 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 10 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

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

Mr. Shubhendu Saha, the Valuer for the Subject Property is registered as a valuer with IBBI for the asset class Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since 15 May 2019. He completed his Bachelor’s in Planning from the School of Planning and Architecture, New Delhi in 1997 and Master’s in Management Studies from Motilal Nehru National Institute of Technology, Allahabad in 1999.

Mr. Saha has more than 20 years of experience in the domain of urban infrastructure and real estate advisory. From 2009 to 2015, he was the national practice head of Valuation Advisory services of DTZ International Property Advisers Private limited (now known as Cushman and Wakefield Property Advisers Private Limited), a leading International Property Consulting firm in India. He also led the business solutions and consulting services for the property management business of Cushman and Wakefield India Private Limited from 2015 to 2017. In early part of his career, he worked with renowned organisations like ICRA Limited, Copal Research

(now known as Moody's Analytics) and National Council of Applied Economic Research. His last employment was with PwC as Director Real Estate Advisory before he started his practice as an independent valuer.

As the leader of valuation services business at DTZ, Mr. Saha authored India specific guidelines of the RICS Valuation Standards ("Red Book") for financial accounting, taxation and development land, which became part of the 7th edition of Red Book. He is the first registered valuer under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 to undertake the valuation of REIT assets for an IPO. Mr. Saha also led the valuation of India's first listed portfolio of healthcare assets at Singapore Stock Exchange as a Business Trust and led numerous valuation exercises for multiple private equity funds, real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. His clientele includes, Mindspace REIT, Embassy REIT, K Raheja Corp, Air India, HDFC, Religare Health Trust, Duet Hotels, DLF, RMZ, Embassy Group, Citibank, Tishman Speyer, IL&FS, HSBC, IDFC, Ascendas India etc.

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

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Subject Property 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 his engagement as the Valuer.

### **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 on 31 July 2019, effective from 31 January 2020.

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

## 6 Valuation Approach & Methodology

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

### Market Approach

In 'Market Approach', the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

### Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

#### Income Approach - Direct Capitalization Method

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

#### Income Approach - Discounted Cash Flow Method

The income approach is based on the premise that value of an income producing asset is a function of future benefits and income derived from that asset. Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income and cost associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below.

#### Income Approach - Discounted Cash Flow Method using Rental Reversion

Given the market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase the attractiveness of the property to prospective tenants. Such benefits are 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, typically the impact of such sub/above market leases on the valuation of the Subject Property are normalised by estimating the rental revenue achievable at the end of the term, based on the expected rents in the market.

The valuation for the Subject Property has been derived by adopting income approach, utilising the discounted cash flow method with rental reversion.

**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 10 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 31 March 2021 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise and the Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct.

**9 General Comment**

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

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

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject 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.

**11 Authority**

Client acknowledges and agrees that the valuation exercise undertaken (including, without limitation, the Reports itself and the contents thereof) is solely for the purpose set out in paragraph 4 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in paragraph 4 herein, then (a) Valuer will require, and Client must provide or cause to be provided, an indemnification agreement in his favour, given by parties reasonably satisfactory to him, and (b) Client will obtain his consent to the references in such materials to the Report.

**12 Reliant Parties**

The Reliant Parties would mean Brookprop Management Services Private Limited (“Brookprop” or “Manager”), Brookfield India REIT and their unitholders and Axis Trustee Services Limited (“Trustee”). The reliance on this report is extended to the Reliant Parties for the purpose as highlighted in this Valuation Report.



The auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

The valuation exercise is conducted strictly and only for the use of the Reliant Parties 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 has provided the services exercising due care and skill but does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the Valuer shall not accept liability for any errors, misstatements, omissions in the report caused due to false, misleading or incomplete information or documentation provided to him by the Instructing Party.
- The Valuer's maximum aggregate liability for claims arising out of or in connection with the Valuation, under this contract shall not exceed the professional indemnity insurance obtained by him. As on the date of Letter of Engagement ("LOE") and this report the professional indemnity insurance maintained by the Valuer is for INR 50 Million (Indian Rupees Fifty Million).
- In the event that any of the BSREP India Holdings V Pte. Ltd (the "Sponsor"), Manager, Trustee, Brookfield India REIT or other intermediaries appointed in connection with the 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 Valuation, the Claim Parties will be entitled to require the Valuer, to be a necessary party/ respondent to such claim and the Valuer shall not object to his inclusion as a necessary party/ respondent. However, the legal cost with respect to appointment of lawyers by the Valuer as a respondent/ defendant shall be borne by the Client. If the Valuer, as the case may be, does not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard and his liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Valuer is neither responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/validation of the zoning regulations/development controls etc.

### 14 **Disclosure and Publication**

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

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

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

Both Parties represents, warrants and undertakes that:

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

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

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

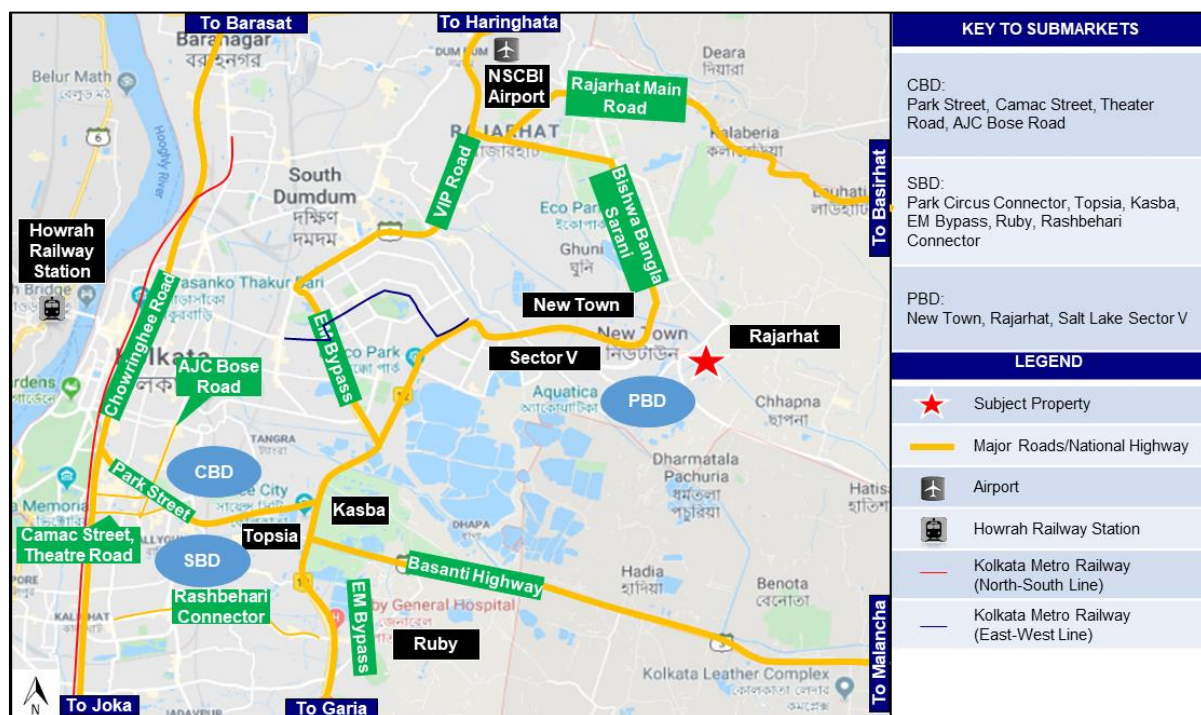
## **B KOLKATA CITY REPORT**

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 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 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 & Wakefield Research  
(Map not to scale)

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

Particulars	Kolkata*	^Rajarhat (Competitive REIT Micro Market)
<b>Total Completed Stock till Q1 2021 (million sq. ft.)</b>	18.52	9.02
<b>Current Occupied Stock till Q1 2021 (million sq. ft.)</b>	13.25	7.28
<b>Current Vacancy Q1 2021 (%)</b>	28.48%	19.20%
<b>Avg. Annual Absorption - 2015 – Q1 2021 (million sq. ft.)</b>	0.69	0.27
<b>Future Supply – Q2 2021 E– 2023 E (million sq. ft.)</b>	0.7	0
<b>Market Rent – Q1 2021 (INR psf / month)</b>	41	38
<b>CAGR for Market Rent (2015 -Q1 2021)</b>	-0.3%	0.6%

Source: Cushman & 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 Subject Property.
3. ^Brookfield India REIT's micro market within Brookfield's REIT city market for Subject Property. Further, the relevant supply in the micro market of New Town has been reported under Rajarhat.
4. The supply estimates are based on analysis of proposed and under construction buildings.
5. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are excluding the non-IT buildings and IT buildings less than 1 lakh square feet and applying certain other criteria.
6. 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.
7. Rentals presented above are weighted average values on completed stock.

The Central Business District (CBD) of Kolkata office market constitute 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 last three years. The Secondary Business District (SBD) of Kolkata office market constitute Park Circus Connector and Rashbehari Avenue Connector. SBD got developed with 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 constitute Rajarhat and Salt Lake. The micro markets evolved as the city limits grew and requirement for quality office space 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 face 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 caters 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 in it 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 format. 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:

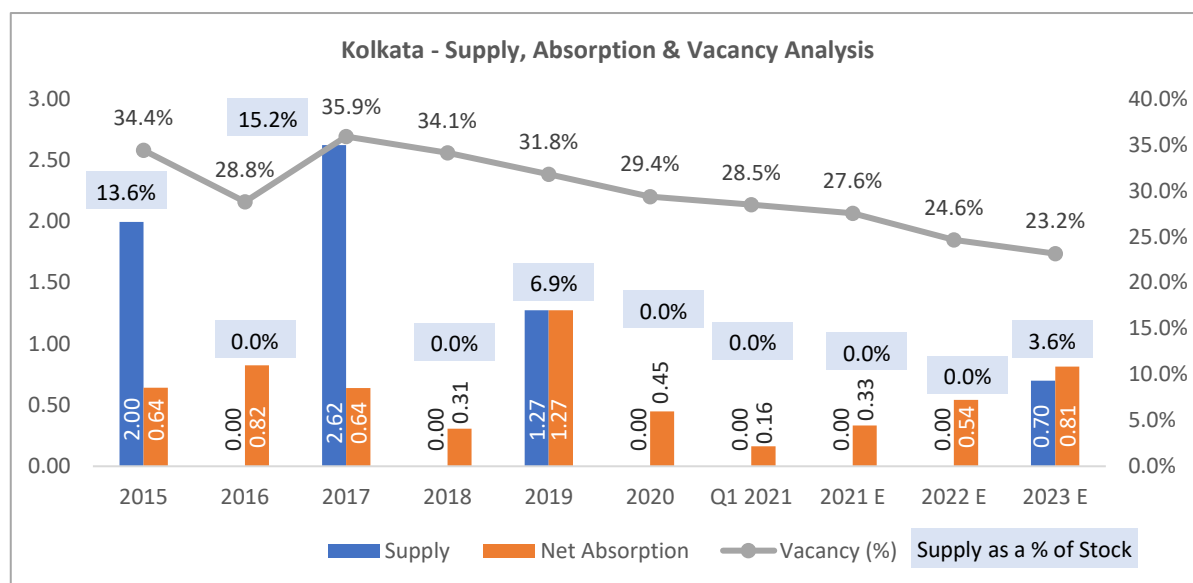
- **Robust metro network underway for commute within Kolkata:** Kolkata was the first city to have metro railways in India in 1984 covering a stretch of 12 stations from Dum Dum to Tollygunge. The expansion of metro railway network would enhance connectivity viz. reducing significantly the commute time.
- **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, air 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 hierarchy.

- **Availability of resources at lower cost:** Although Kolkata is a metro city having all amenities as in the other metros of India, the living cost here is comparatively less. Thus, the cost of hiring is also lower as compared to 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 Tow on the companies are also considering branching out further due to 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 & 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 less than 1 lakh square feet and applying certain other criteria.

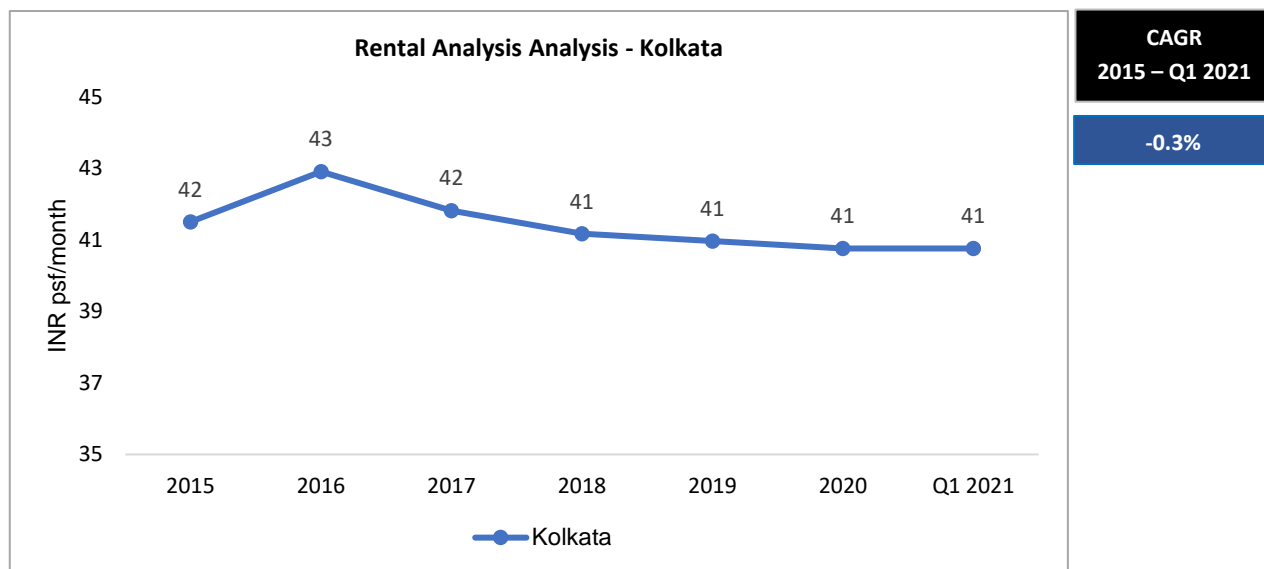
Supply spikes witnessed by the city in years 2015 and 2017 led to increased vacancy levels. Kolkata being the city of large space take ups by IT / ITes occupiers (which is also evident by the built to suit supply / campus developments in the city) and is also witnessing interest by occupiers like Wipro, Microsoft, Tech Mahindra, Cognizant, Genpact, Capgemini, ISI etc.; the city is likely to witness improved vacancy levels over the coming years. As large developments by players like Brookfield and DLF are being planned to accommodate the needs of such large occupiers; such developments are likely to benefit even better. The trendline projected for the city also substantiate the same.

Additionally, due to the outbreak of Covid-19, office real estate sector is facing short-term challenges. We expect the city-market vacancy to stand at around 28.5% in Q1 2021, however with continuous occupier interests in this market and limited future supply, we expect the vacancy to reduce to nearly 23.2% by 2023.



### 1.2 Rental Trend Analysis

The rental trend for Kolkata is as follows:



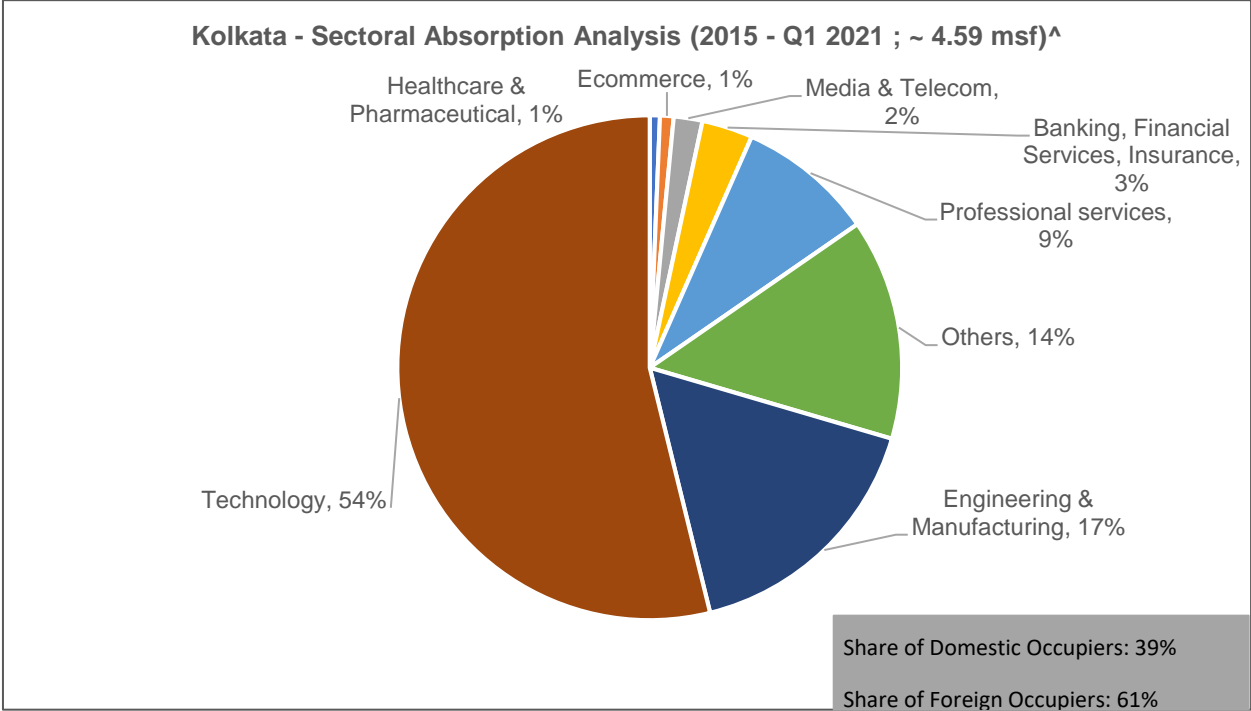
Source: Cushman & Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the non-IT buildings, the IT buildings less than 1 lakh square feet, and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals presented above are weighted average values on completed stock.

Among most of the micro markets, no perceptible change is visible in the rentals. CBD continues to fetch the highest rental amongst all prominent office micro markets of Kolkata. Older micro markets of Kolkata viz. Park Circus Connector and Rashbehari Connector are stabilized and almost saturated since 2016 and before, hence are witnessing a stabilized rental trend during the period 2015 – Q1 2021. A large number of new entrants opted for space take-ups in the emerging area of Salt Lake and Rajarhat owing to limited supply of office space in the CBD and the bulk availability of quality office space in the Salt Lake and Rajarhat area. Enhanced mobility due to expanding metro connectivity is another reason for higher demand for office space in these micro markets. Further, with the East West Metro corridor coming up, demand for office space in these micro markets are expected to rise and hence leaving a positive impact on the rentals.

1.3 Sectoral Demand Analysis – Kolkata (2015 –Q1 2021)



Source: Cushman & 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 generated a demand of 54%. The other prominent contributors to the demand are Engineering and Manufacturing (17%), Professional Services (9%), Banking, Financial Services, Insurance (3%) and Media & Telecom (2%). The mix of domestic vs. foreign occupants in Kolkata is 39:61.

## 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 Brookfield India REIT micro market is being developed under the development authority named West Bengal Housing Infrastructure Development Corporation (WBHIDCO).

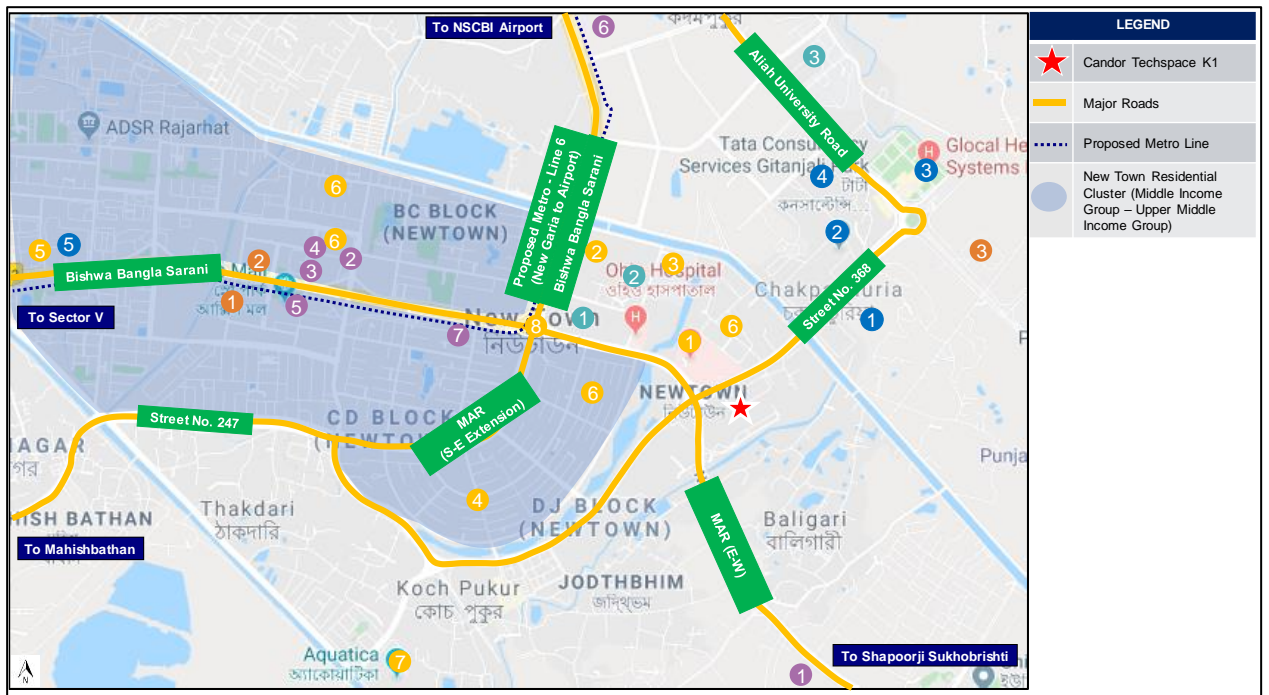
Rapid urbanization and growing demand for housing and office spaces in Kolkata lead to the emergence of Rajarhat area in the eastern outskirts of Kolkata to serve the dual purposes of:

- Establishing 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 Brookfield India REIT micro market is the highly planned region of Kolkata which primarily constitutes supply of investment grade office buildings. It houses the project viz. Bengal Silicon Valley (a WB Government initiative), which is one of the government initiatives to promote business 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. 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.

With enhanced road and metro connectivity, Rajarhat is expected to become a preferred location of work for the residents of eastern and northern Kolkata, viz. Salt Lake, Laketown, Teghoria, Barasat, Dakshineswar, etc. Candor Techspace K1 is a prominent office SEZ, and 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, Pride Plaza, etc.

2.2 Social and Physical Infrastructure



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

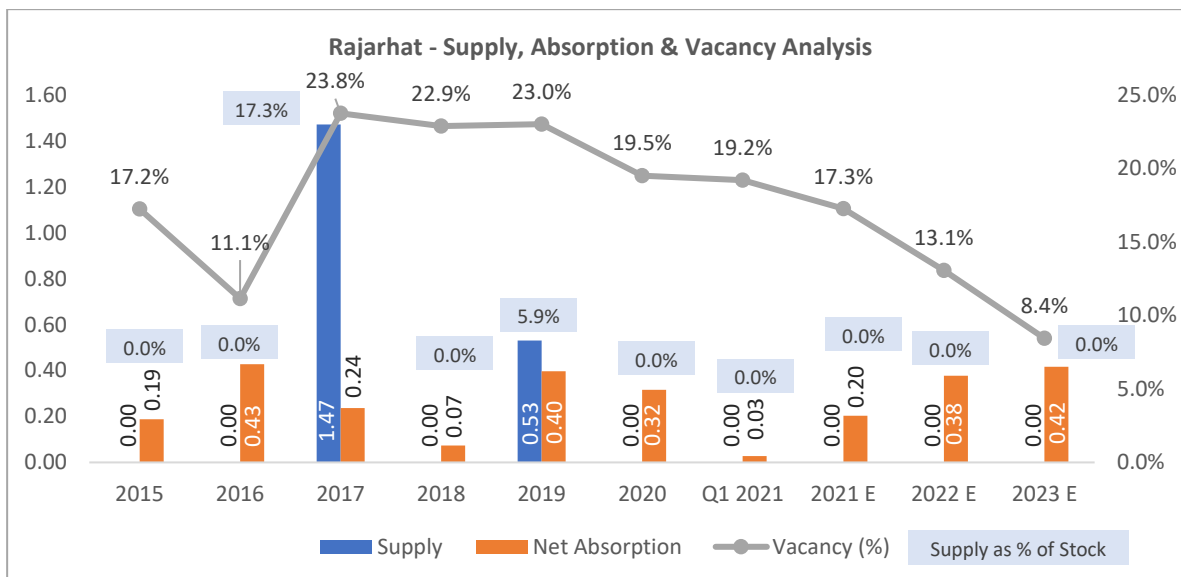
- Key Office Developments
- Social Infrastructure
- Lifestyle Infrastructure
- Under Construction & Proposed Office Developments
- Hospitality Developments
- Higher Education Institutions

Key Office Developments	Social Infrastructure	Malls and High Street	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF 2 SEZ (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. Bishwa Bangla Convention Centre (2.1 km)	2. DLF Galleria (3.1 km)		2. Pride Plaza (3.2 km)	2. Presidency University (1.5 km)
3. Ambuja Ecospace (2.5 km)	3. DPS New Town (1.8 km)	3. Centrus Mall (2.6 km)		3. Lemon Tree Premiere (3.2 km)	3. Aliah University (2.8 km)
4. Mani Casadona (2.9 km)	4. New Town School (2.0 km)			4. IBIS Hotel (3.2 km)	
5. DLF II SEZ (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. Bishwa Bangla Gate (1.6 km)				

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

The presence of govt undertakings and development authority viz. West Bengal Housing Infrastructure Development Corporation (WBHIDCO) and New Town Kolkata Development Authority (NKDA) in the Brookfield India REIT micro market has played a pivotal role in infrastructure developments. The Brookfield India REIT micro-market has planned infrastructure in terms of wide roads with strategic road network as envisaged by the Govt. of West Bengal since it falls under the New Town Planning Area. A prime upcoming infrastructure 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 & Wakefield Research

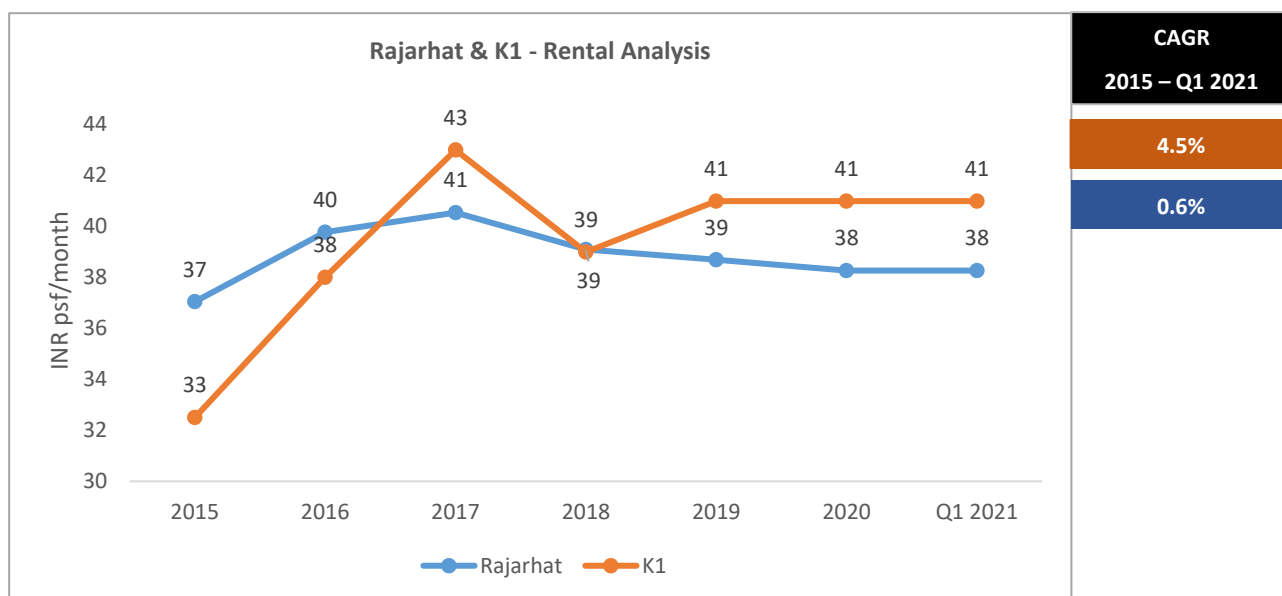
**Notes:**

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 less than 1 lakh square feet and applying certain other criteria.

Regular upgradation in physical infrastructure has resulted in improvement of connectivity and expanding the city limits. Rajarhat commands highest demand in Kolkata as indicated by increase in supply and sub 20% vacancy levels (unlike Kolkata market as whole). The Brookfield India REIT micro market 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. The micro market holds approximately 49% of the stock in Kolkata and still exhibits lowest vacancy numbers viz. approximately 19.2% as of Q1 2021. The analysis of key statistics of this micro market suggests its positioning as a preferred office market of Kolkata.

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 34% of relevant investment grade office stock.

**2.4 Rental Trend Analysis**



Source: Cushman & Wakefield Research

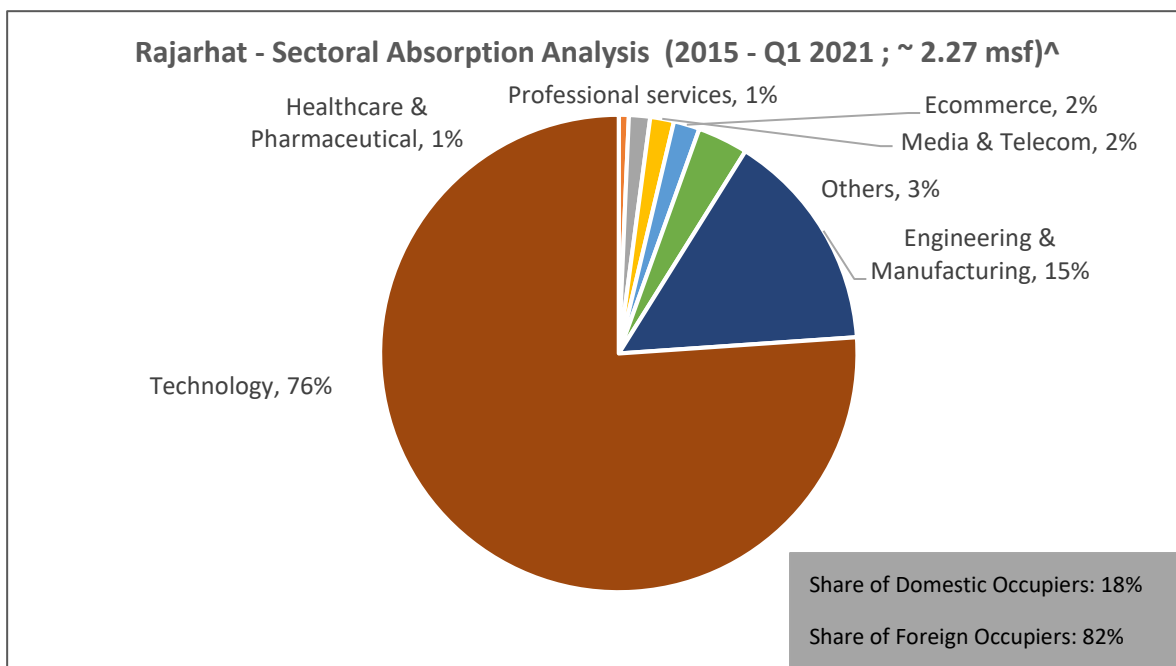
Note:

1. Only the relevant stock has been considered for this analysis excluding the non-IT buildings, the IT buildings less than 1 lakh square feet, and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters.
3. Rentals presented above are weighted average values on completed stock.

The Brookfield India REIT micro market has attracted consistent demand due to the availability of planned infrastructure and land for developments. Additionally, there have been various efforts from the government towards enabling conducive regulations to attract investors as well as developers for office developments. The significantly lower rentals as compared to 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 Salt Lake and more 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.

The graph above represents the rental growth rate of K1 and the Brookfield India REIT micro market. The analysis suggests that K1 has witnessed a premium over the Brookfield REIT micro market with a rental growth of 4.5% as compared to a growth of 0.6% in the Brookfield REIT micro market over the same period.

**2.5 Sectoral Demand Analysis (2015 – Q1 2021)**



Source: Cushman & 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 Rajarhat’s relevant stock i.e. including relocations, consolidations etc.

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 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 2021, approximately 76% of the occupants are from Technology sector and around 15% is from Engineering and Manufacturing sector. The mix of domestic vs. foreign occupants in Rajarhat is 18:82.



## 2.6 Market Outlook

According to the market assessment report of Cushman & Wakefield current average market rentals of comparable properties in the Rajarhat are in the range of INR 35-45 per sq. ft./m, which is broadly in line with the recent leases signed in the Subject Property. Though, the rentals in the Brookfield India REIT micro market between 2015-Q1 2021 remained largely stagnant (CAGR of 0.6%), going forward, considering the limited future supply in the subject micro market coupled with infrastructure improvements, annual growth rate of 4-5% in market rents over medium to long term appears achievable.

The outbreak of COVID-19, declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, and has continued to impact many aspects of daily life and the global economy. Individual markets have reacted differently to the COVID-19 outbreak, aftermath and further waves. Travel, movement and operational restrictions have been implemented by many countries. In some cases, lockdowns have been applied to varying degrees and to reflect further waves of COVID-19. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

In India as well, the government has adopted similar measures to contain the spread of Covid-19 which has caused business disruption impacting the economic activity. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

As per WHO, there are more than 250 COVID-19 vaccine candidates at different stages of trials. COVID-19 vaccine in India was launched on 16 January 2021. This was initially deployed to essential services workers and senior citizens. The coverage has now been expanded to people aged 18 years and above and with increased coverage in subsequent months, it can reasonably be expected that disruptions caused by the pandemic would subside in the coming year

The commercial real estate sector has so far shown reasonable resilience to the disruptions caused by Covid-19. With the gained intelligence about the pandemic and rapid progress witnessed in the development and deployment of the vaccine, we expect the corporates to resume their operations from their respective office spaces, as the situation starts to stabilize soon. This is expected to be followed by the demand for commercial office spaces, which have been vacated due to pandemic over the last year, to come back and then the demand for additional commercial office spaces is expected to arise, as the deferred corporate decision-making starts to materialize.

Therefore, we expect slow recovery in the demand for commercial real estate in short-mid term before the demand resumes its long-term trajectory.

## **C      PROPERTY REPORT**

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

<b>Address:</b>	Plot No. 1, DH Street no. 316, New Town, North 24 Parganas, Rajarhat, Kolkata, West Bengal – 700156, India
<b>Ownership &amp; title details:</b>	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

### 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 Fox & Mandal (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 in New Town, Rajarhat, Kolkata. It is part of Rajarhat micro market which is one of the newly 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, Bishwa 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 site layout map of the Subject Property is as follows:



(Map not to scale)

The site boundaries for the Subject Property are as under:

- 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 proposed 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 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. Kolkata where the Subject Property is located lies at the boundary of the seismic zones III and IV of the zonation maps of India with moderate risk of earthquakes and high winds or cyclones.

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 relatively lower elevation compared to its immediate surroundings, indicating moderate risk of flooding and may face minimal problems of waterlogging. However, adequate flood mitigation measures have been taken at the Subject Property, as informed by the Client.

**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 except for 14 acre of subject property land parcel, which shall be de-notified from SEZ to Non – SEZ as informed by client 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 Details

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

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

**Future development buildings** – The future development constitutes IT/ITeS leasable area of 980,448 sq. ft. and mixed-use leasable area of 1,703,541 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 (#)	Floor Plate (sq. ft.)	Status	Expected Completion Date
Tower A1	294,656	10	29,466	Completed	NA
Tower A2	288,689	10	28,869	Completed	NA
Tower A3	221,988	8	27,749	Completed	NA
Tower B1	267,650	8	33,456	Completed	NA
Tower B2	158,066	6	26,344	Completed	NA
Tower B3	182,763	8	22,845	Completed	NA
Tower C1	340,752	10	34,075	Completed	NA
Tower C2	289,568	8	36,196	Completed	NA
Tower C3	241,445	9	26,827	Completed	NA
Tower G1	272,559	7	38,937	Completed	NA
Tower G2	263,407	7	37,630	Completed	NA
Tower G3	238,013	7	34,002	Completed	NA
IT/ITeS	980,448	-	-	Future Development	Q4 FY 2026-27
Mixed-use	1,703,541	-	-	Future Development	Q1 FY 2027-28
<b>Total/WA</b>	<b>5,743,542</b>		<b>31,919</b>		

Source: Architect's Certificate, \*\*Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information

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

<sup>^</sup>Leasing Period for future development is taken in phased manner. The leasing is assumed to start from Q3 2024-25 in the IT/ITeS and Q1 2024-25 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 - 5 years and 1 month Tower B1 - 5 years and 1 month Tower C1 - 1 year and 6 month Tower A2 - 5 years and 1 month Tower B2 - 5 years and 1 month Tower C2 - 2 year and 1 month Tower A3 - 5 years and 1 month Tower B3 - 5 years and 1 month Tower C3 - 1 year and 10 months Tower G1 - 3 years and 7 months Tower G2 - 3 years and 7 months Tower G3 - 3 years and 7 months
<b>Asset Type:</b>	Approved IT/ITeS SEZ
<b>Sub-Market:</b>	New Town, Rajarhat
<b>Approved and Existing Usage:</b>	IT/ITeS SEZ
<b>Land Area (acres):</b>	~48.383
<b>Freehold/Leasehold:</b>	Freehold Land
<b>Leasable Area:</b>	3,059,556 sq. ft.
<b>Occupied Area:</b>	2,771,284 sq. ft.
<b>Committed Occupancy (%)</b>	90.6%
<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, Retail and Telecom tenants only)
<b>Number of Tenants</b>	15 (office)

Source: Architect's Certificate, Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information

Note: 1. Refer company structure set out in Annexure 1.

**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 2026-27 Mixed-use – Q3 FY 2027-28
<b>Asset Type:</b>	Approved IT/ITeS SEZ
<b>Sub-Market:</b>	New Town, Rajarhat
<b>Approved Usage:</b>	IT/ITeS/Commercial/Retail
<b>Leasable Area:</b>	2,683,989 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 ,and Client Information*



### 3.2 Property Inspection

The Subject Property, comprising 12 operational buildings and future development area was physically inspected on 31 March 2021. The inspection comprised visual inspection of operational buildings constituting the property, visits to their key utility areas such as LT electric room, pump room, HVAC installations, power back up, STP and area provisioned for future development. The common areas and vacant floors within the operational buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

The Subject Property is an IT/ITeS SEZ office space developed in a campus format offering large floor plates with significant open / green areas and number of amenities for occupiers. The 12 operational buildings in the campus are Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3 along with future development area distributed at different ends of the campus.

The operational buildings and parts thereof with OC received collectively admeasure 3,059,553 sq. ft. of leasable area. The 12 office towers are occupied by multiple tenants wherein tower A2 offers multi-cuisine food courts, in-house kitchens, bank branches and ATM, creche, pharmacy, medical centre and other retail outlets and tower A3 offers amenities such as gymnasium, swimming pool and table tennis at the ground floor. In addition, there is future development comprising IT/ITeS and mixed-use developments, out of which 5,200,000 sq ft of commercial cum retail development is being developed through Joint Development Arrangement with a third party.

The visual inspection of the buildings 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 was observed during the inspection. The utility areas also appeared well maintained, visually. The Subject Property has two entry and exit gates designed to ensure smooth traffic movement both inside and outside the campus. Regular upgradation work is being undertaken within the campus to ensure its upkeep as per the modern age requirement. K1 has been awarded IGBC Gold rating for sustainability and 4 Star Rating by the Bureau of Energy Efficiency (BEE) in addition to the group wide ISO 9001, 14001 and OHSAS 18001 certifications.

The large parking requirement is catered by multilevel basements and open area parking slots contributing to 3,831 parking spaces. 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 property inspection did not comprise any structural survey, technical/engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.

### 3.3 Investigation, 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 the office market research.

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 March 2021) 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 March 2021, the Subject Property's top 10 tenants occupying space in the subject property, account to ~98% of the Leasable Area and ~97% of the Gross Rental Income (including office, retail and telecom tenants).

Rank	Top 10 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Cognizant	1,137,015
2	TCS	665,267
3	Accenture	333,648
4	Capgemini	254,947
5	Genpact	157,057
6	HCL	57,862
7	Martinet (Retail)	39,755
8	Indo Rama Ventures	38,256
9	Concentrix Daksh (IBM Daksh)	29,946
10	Simplify Workforce	8,650
<b>Total</b>		<b>2,722,403</b>

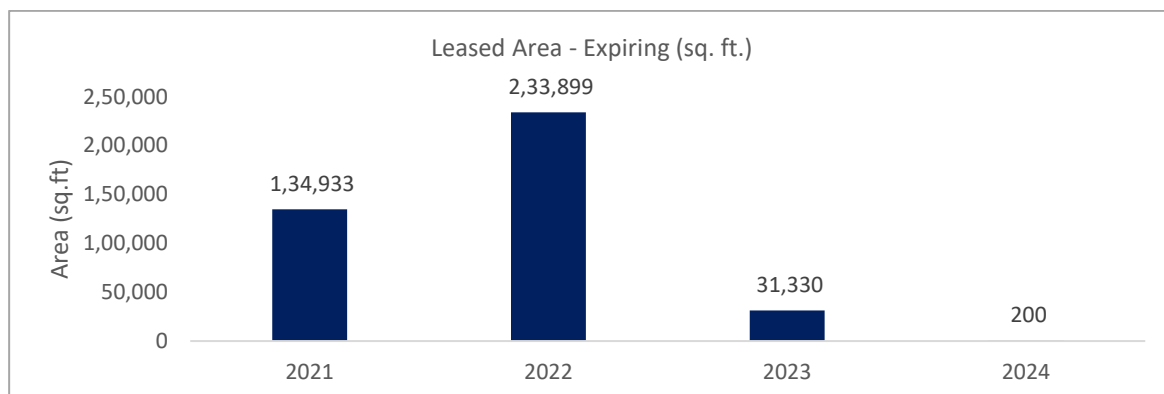
Source: Rent roll as at 31 March 2021 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Cognizant	40.6%
2	TCS	23.3%
3	Accenture	12.0%
4	Capgemini	9.6%
5	Genpact	6.3%
6	HCL	2.5%
7	Indo Rama Ventures	1.3%
8	Concentrix Daksh (IBM Daksh)	1.0%
9	Simplify Workforce	0.3%
10	Airtel (Retail)	0.3%
<b>Total</b>		<b>97.25%</b>

Source: Rent roll as at 31 March 2021 and Client Information

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the property is 7.27 years, with ~14% of occupied area expiring between 2021 and 2024 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent roll as at 31 March 2021 and Client Information

**Notes:**

1. The chart is prepared on the basis of Calendar Year.
2. The time period for 2021 is considered from 1 April till 31 December
3. The above analysis includes TCS in 2021. As informed by client, for 2021 TCS is renewing, but the renewal has been deferred to June/July 2021

## 4 Valuation Methodology

In order to compute the Market Value of the Subject Property it is prudent to understand the market dynamics and the location where the Subject Property is located (existing and future supply, demand from occupiers, average office space take up by an occupier in a particular sector, existing vacancy numbers and the rentals, likely growth of the office space etc.). Understanding of the micro market positioning (where the Subject Property is located) with respect to a location is also very important. The next step then becomes to understand the situation of the Subject Property (current achievable rentals, vacancy numbers, competing supply in the micro market etc.) with respect to the micro market.

Each of the steps required to assess the Market Value of the Subject Properties is detailed below:

### 4.1 Market and Location Assessment:

The Client appointed Cushman & Wakefield (CWI) to prepare a office market research report, which has been relied upon and reviewed by the Valuer to develop the understanding and assess the relevant micro-market of the Subject Property. The said review was carried out in the following manner:

- i. Market dynamics influencing the rents along with Subject Property rents were studied in detail. Further, the location setting of the Subject Properties in the respective micro-markets were assessed. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by CWI and readily available information in public domain to ascertain the transaction activity of office space. The analysis entailed review of comparable properties in terms of potential competition (both completed and under-construction/future developments), comparable recent lease transactions witnessed in the micro-market along with the trends in leasing within the Subject Property in recent past, wherever available. This analysis enabled the Valuer to have an informed opinion on the market rent (applicable rental for the micro-market where the respective Subject Properties are located) and achievable market rent (Valuer's view on achievable rent for the Subject Property for leasing vacant

spaces, potential leasable area under development or planned as well as upon re-leasing of the existing let out area).

- ii. For tenants occupying relatively large space within the Subject Property, where there may be some instances of areas being let out at lower than market rent, it is assumed that the leases shall revert to market rent following the expiry of the lease, factoring appropriate re-leasing time.

**4.2 Portfolio Assessment:**

- i. As the first step, the rent roll (which includes review of corresponding leases deeds) on a reasonable sample basis were reviewed to identify tenancy characteristics for the Subject Property. As part of the rent roll review, major tenancy agreements were reviewed on a reasonable sample basis.
- ii. For anchor/large tenants, adjustments on achievable market rent or additional lease-up timeframe have been adopted upon lease reversion wherever relevant.
- iii. Title Report, Architect’s 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.
- iv. Physical site inspection was undertaken to assess the current status of the Subject Property.

**4.3 Preparation of Future Cash Flows:**

1. Net operating income (NOI) has primarily been used to arrive at the Market Value of the Subject Property. The cash flows for the operational, under construction and future development area have been projected separately for the purpose of estimating and reporting valuation in accordance with the SEBI (REIT) Regulations
2. The projected future cash flows from the property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Property. For vacant area, under-construction area and future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation wherein 11<sup>th</sup> year NOI is capitalized (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.

Each of the lease was assessed to project the cash flows for a period of 10 years. The assessment was carried out in the following manner:

<b>Step 1</b>	Rental income from existing tenants up to the period of lease expiry, lock-in expiry, escalation milestones, etc. is projected whichever is applicable. In the event of any vacant spaces, achievable market-rent is assumed for future income for such spaces with suitable time for leasing up the space.  This data is then used to generate market aligned revenue stream from existing and potential tenants for the desired time period.
<b>Step 2</b>	In the event the escalated contracted rent is higher than the achievable market rent by 15%, the contracted terms are ignored, and the terms are reverted to market. In the event the escalated contracted rent is below 115% of the achievable market rent, the

	contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental income for respective leases until lease expiry as well as post expiry.
<b>Step 3</b>	Computing the monthly rental income projected as part of Step 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, fit-out income (wherever applicable, however, the same has not been included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provision have been adopted in-line with prevalent market practices and conditions. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For all Subject Properties, operational revenues and expenses of the respective properties 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 and normalised for the purpose of cash flow projections. The 1-year forward income for the 11<sup>th</sup> year has been capitalized to assess the terminal value of the development at the end of year 10.

#### 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 has 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

The following assumptions have been made to arrive at the market value of the Subject Property as on 31 March 2021:

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

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-21
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-31

### Property Details

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	3,059,556
Area Leased	Sq. ft.	2,771,284
Committed Occupancy*	%	90.6%
Vacant Area**	Sq. ft.	288,272
Vacancy	%	9.4%
Stabilized Vacancy	%	5%
Further Leasing**	Sq. ft.	160,220
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases (First Year)	Months	3
Rent Free Period- Existing Leases - Post First Year	Months	1
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	3,831
Estimated Leasing Period	# of quarters	8

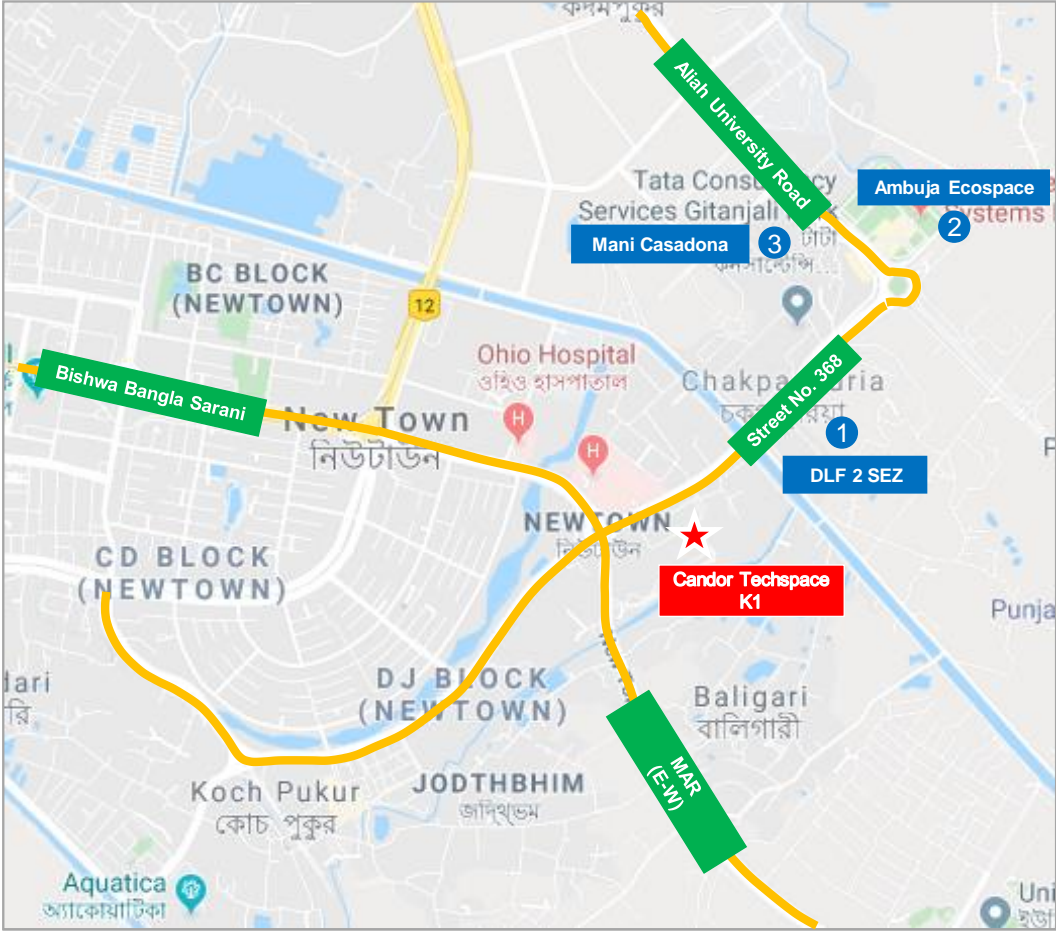
Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.

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

\*\*Vacant Area includes the area of captive use of ~3000 sq. ft. which has not been considered for Further Leasing

- **Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of one month has been considered for existing lease rollovers and four months for new leases. Amidst temporarily suppressed demand due to current economic slowdown, we expect the tenants being offered an additional 2 months of rent-free period for all the existing lease rollovers happening within the upcoming 12 months (from 1 April 2021) in order to retain and support them.
- **Future absorption:**
  - Over 2015-Q1 2021, the Rajarhat micro market has witnessed an average annual net absorption of approximately 0.27 million sq. ft.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.33 million sq. ft. per annum till 2023.

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



Note: Blue boxes signify existing supply and currently there is no upcoming supply in the micro-market.

- Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.16 million sq. ft. within 8 quarters from April 2021.
- Further leasing area of ~0.16 million sq. ft. has been assumed after incorporating a 5% stabilised vacancy which is a standard for Grade A office properties in this market.
- We have considered 6 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2021, due to temporarily suppressed demand.



**Revenue Assumptions**

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Base)	Per sq. ft. per month	INR 40.00
Achievable Market Rent– Commercial (Base)	Per sq. ft. per month	INR 44.10
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 41.00
Achievable Market Rent – Commercial (including Parking)	Per sq. ft. per month	INR 45.10
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 60.00
Achievable Market Rent – Amenity Area	Per sq. ft. per month	INR 25.00
Other Income	Per sq. ft. per month	INR 0.10
Rental Growth Rate (from FY'23 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund) from FY'24 onwards	% p.a.	4.0%
O&M Markup Growth Rate (CIOP <sup>2</sup> Margin 1 )	% 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 7.66

**Notes:**

1. Out of total mixed use development of 1.72 million sq. ft., the area of 0.52 million sq. ft. constitutes commercial area of 0.40 million sq. ft for which the rent assumed is INR 45 per sq. ft. per month and retail area of 0.12 million sq. ft. for which the rent assumed is INR 60 per sq. ft. per month. The remaining mixed use area of 1.12 million sq. ft. is allocated for retail with the assumed rent of INR 60 per sq. ft. per month.
2. 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.

- **Achievable 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)
- In year 2020 and 3M 2021, approximately 0.27 million sq. ft. of office was leased in the rental range of INR 39-52 per sq. ft. per month (including parking)

**Lease Transactions 2020-2021**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft)
TCS	2020	121,416	39.50
HCL	2021	49,149	50.60
Concentrix Daksh (IBM Daksh)	2020	29,946	40.50
Indo Rama Ventures	2020	38,256	41.00
Capgemini	2020	14,381	52.50
Sankalp Semiconductor	2021	8,713	50.60
Met Technologies	2020	2,700	40.12
II Global	2020	2,300	46.20

Source: Rent roll as at 31 March 2021 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 41 per sq. ft. per month (including parking charges).
- **Rental growth rate:** Over 2015-Q1 2021, the contractual rent in Subject Property grew at a CAGR of 4.5%. However, due to current market condition we have not assumed any rental escalation for next 12 months. Post this, considering the market revival and the limited future supply in the micro market, we have considered annual rental growth of 5%.
- **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'22 range from INR 7.0-8.0 per sq. ft. per month. Further, the total CIOP expense for FY'22 for K1 is considered to be INR 62.85 Million. The CIOP expense is a property management fee fixed at INR 204.75 million for FY'20 (the said amount has been divided between the properties of Brookfield India REIT portfolio (excluding Kensington) on pro rata basis computed on leasable area) as per the agreement shared with us and has been escalated at 5% annually for subsequent years. Thus, the CIOP expense for FY'22 is INR 225.74 Million. Tenants are charged INR 3.02 – 7.07 per sq. ft. per month, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency:** As per our market study, we understand that the efficiency of Subject Property is in line with the efficiency of other SEZ developments. Hence, we have not made any adjustments regarding the same for our valuation analysis.

### 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 5.74
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

Please note that there is a general development expenditure of INR 163 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 and Insurance cost:** Property tax has been provided for Q2 FY' 21. We have annualised it to calculate the property tax for FY' 21 and the same has been projected to increase at 5% per annum from FY' 22 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 & Capitalization rate assumptions

- **Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates. In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for a proposed public listing with better liquidity/marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8.5% 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
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	8.0%
Tishman Speyer - GIC	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

- **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.

**Future Development**

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

**Property Details**

Property Details	Unit	IT/ITeS	Mixed-use
Total Property Leasable Area	Sq. ft.	980,448	1,703,541
Stabilized Vacancy	%	5%	5%
Existing Lease Rollovers	%	100%	100%
Rent Free Period – Existing Leases Rollover	Months	1	1
Rent Free Period – New Leases	Months	4	4
Estimated Leasing Period <sup>^</sup>	# of quarters	18	19

<sup>^</sup>Leasing Period for future development is taken in phased manner. The leasing is assumed to start from Q3 2024-25 in the IT/ITeS and Q1 2024-25 in the Mixed-use development.

**Construction Related Assumptions**

Construction Related Assumptions	Unit	IT/ITeS	Mixed-use
Start Date of Construction		Jan-22	July - 21
End Date of Construction		Mar-27	Dec-27
Total Construction Cost <sup>4</sup>	INR Million	4,563*	8,315
Construction Cost Incurred till date	INR Million	-	-
Construction Cost to be Incurred	INR Million	4,563*	8,315

\*includes cost of constructing MLCP

**Notes:**

1. Reliance on Client inputs for the assumptions relating to construction.
2. INR 210 Million on account of approval cost is in addition to 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 Tower	Mixed Use-Commercial	Mixed Use-Retail
Achievable Market Rent– Office (Base)	Per sq. ft. per month	INR 40.00	-	-
Achievable Market Rent– Mixed Use-Commercial (Base)	Per sq. ft. per month	-	INR 44.10	-
Achievable Market Rent– Mixed Use-Retail (Base)	Per sq. ft. per month	INR 59.00	-	INR 59.00
Achievable Market Rent– Office (including Parking)	Per sq. ft. per month	INR 41.00	-	-
Achievable Market Rent – Mixed Use-Commercial (including Parking)	Per sq. ft. per month	-	INR 45.10	-
Achievable Market Rent – Mixed Use-Retail (including Parking)	Per sq. ft. per month	INR 60.00	-	INR 60.00
Achievable Market Rent – Amenity Area	Per sq. ft. per month	INR 25.00	INR 25.00	INR 25.00
Other Income	Per sq. ft. per month	INR 0.10	INR 0.10	INR 0.10
Rental Growth Rate	% p.a.	5.0%	5.0%	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% p.a.	4.0%	4.0%	4.0%
O&M Markup Growth Rate (CIOP Margin)	% p.a.	5.0%	5.0%	5.0%
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%	15%	15%
O&M Markup for future leases	Per sq. ft. per month	INR 7.66	INR 7.66	INR 7.66

**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 over the discount rate for completed properties to arrive at a discount rate of 13.00% for under-construction / future development properties.

## 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 complete ownership interest in the Subject Property comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

MARKET VALUE OF THE SUBJECT PROPERTY			
Component	Market Value as on	In Figures	In Words
Completed Building	31 March 2021	INR 21,242 Million	Indian Rupees Twenty One Billion Two Hundred and Forty Two Million Only
Under Construction/ Future Developments*	31 March 2021	INR 4,320 Million	Indian Rupees Four Billion Three Hundred and Twenty Million Only

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

\* includes 0.52 million sq. ft. of commercial cum retail development out of the total future development of approximately 2.7 million sq. ft., wherein Gurgaon Infospace Limited (GIL) shall pay Candor Kolkata a sum of INR 1,000 million (inclusive of GST) in instalments and be entitled to receive 28% of revenue comprising rentals, CAM margins, parking and any other revenue.

### Ready Reckoner Rate

Component	Rate
Built up Area	INR 5,260 per sq. ft.
Land Area	INR 7,305 per sq. ft.

*\*For reference, please refer Annexure 7*

I, Shubhendu Saha, 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

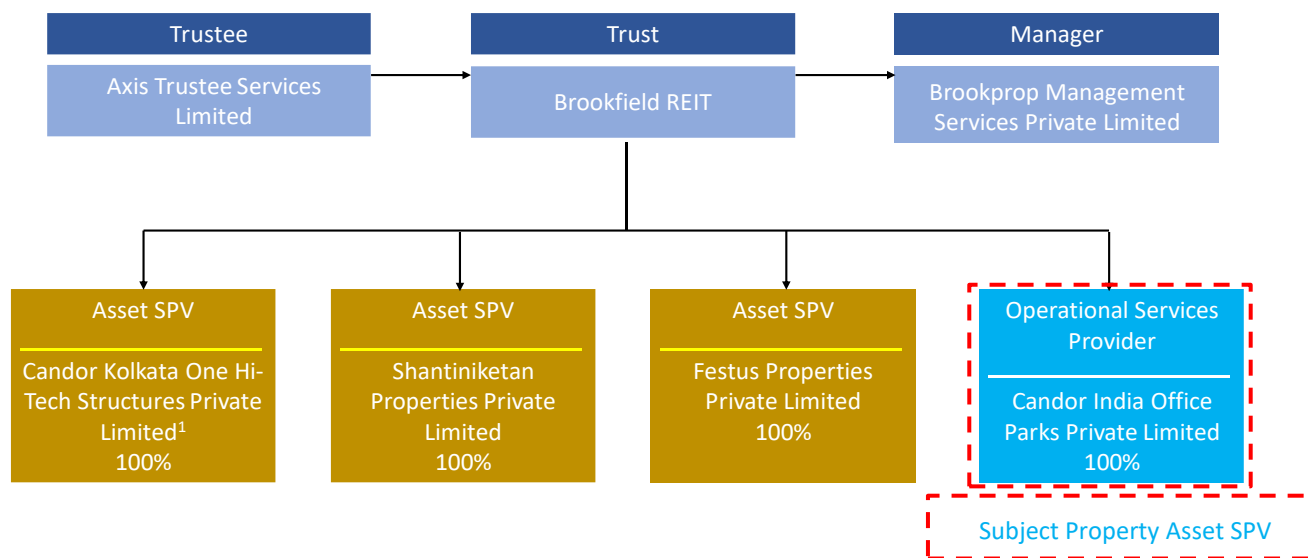
Prepared by



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



**Annexure 1: Ownership Structure of Subject Property**

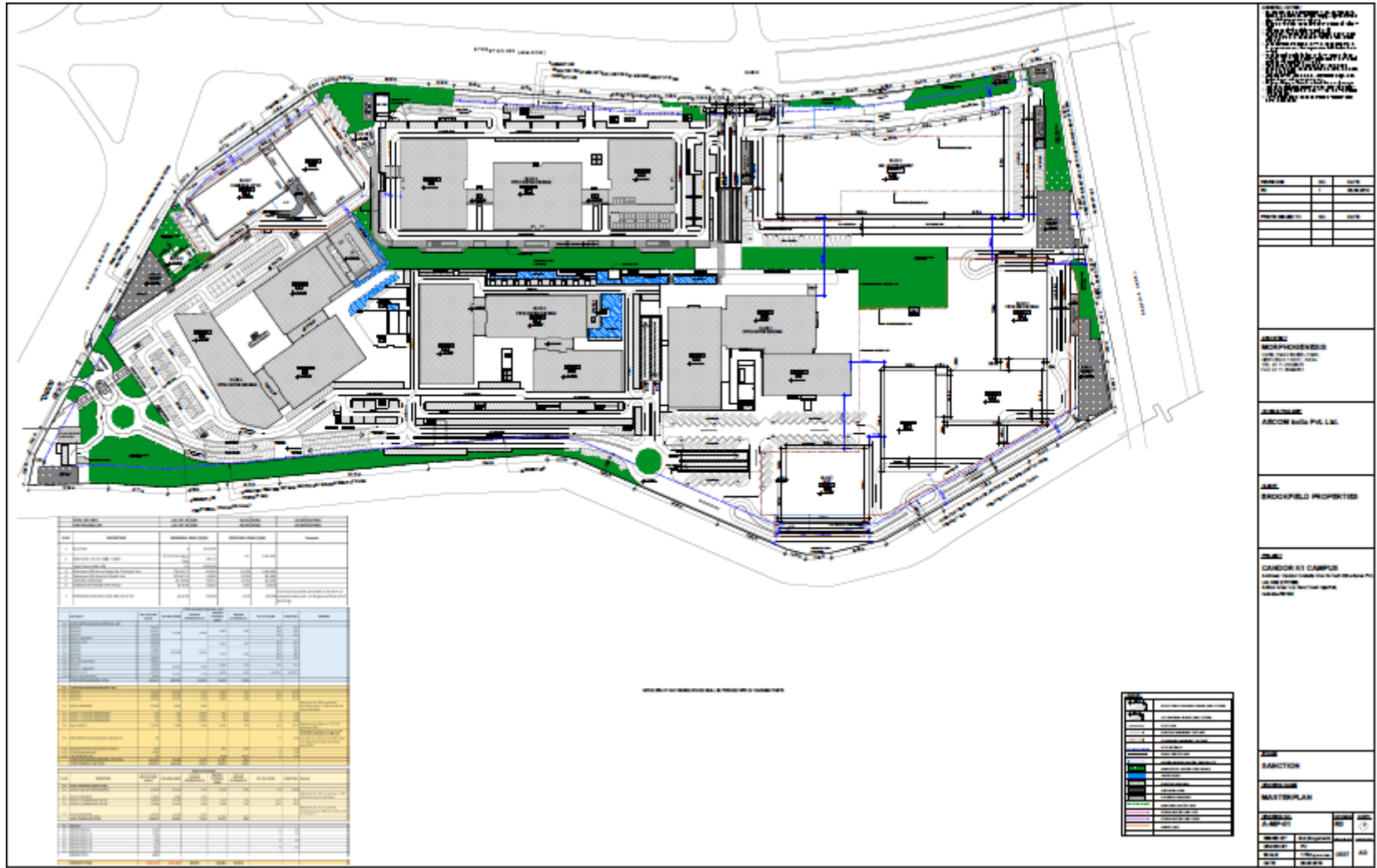


**Note:**

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 4 May 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020

**Annexure 2: Property Layout Plan**

**Completed and Future Development Buildings**



**Annexure 3: Property Photographs**



View of Tower A2



View of Tower B1



View of Tower B2



View of Tower B3



View of Tower C1



View of Tower C2



B Block of the Subject Property



G Block of the Subject Property



View of JDA Area



View of Future Development area

**Annexure 4: Statement of 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 x1500 KVA		8 x 1250 KVA		
No of Transformer/Capacity	KVA		4 x 2500 KVA			3 x 2000 KVA			2 x 1500KVA	1 x 2500KVA		2 x 2000 KVA.	3 x 1600 KVA	
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		2 x 186.5 TR	
Cooling Tower	Tr		HVAC: 4 x 825 TR, 1 x 925 TR DG: 8 x 125 TR			HVAC: 2 x 825 TR, 2 x 450 TR, 1 x 500 TR DG: 5 x 125 TR			HVAC: 2 x 200 TR, 1 x 500 TR DG: 5 x 125 TR		HVAC: 2 x 825 TR, 2 x 250 TR, 1 x 500 TR 8 x 125 TR		DG:	
FF System (Pumps & Engine)	KW/HP		Jockey: 2 x 10 HP Hydrant: 1 x100 HP Sprinkler: 1 x 100 HP Diesel Engine: 1 x 133 HP			Jockey: 2 x 10 HP Hydrant: 1 x 100 HP Sprinkler: 1 x 100 HP Diesel 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					
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



**Annexure 5: 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**

- a) Approvals for Future Development

## Annexure 6: Cash Flows – Completed Buildings (Tower A1, A2, A3, B1, B2, B3, C1, C2, C3, G1, G2, G3)

Years		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	1,351.6	1,437.3	1,506.2	1,598.4	1,646.8	1,780.1	1,816.8	1,880.2	1,981.9	2,053.5
O&M Markup	INR Million	242.8	297.7	319.1	333.5	347.8	362.8	378.4	394.7	411.7	429.4
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	7.5	7.9	8.2	8.7	9.1	9.5	10.0	10.5	11.1	11.6
<b>Total Income</b>	<b>INR Million</b>	<b>1,601.8</b>	<b>1,742.8</b>	<b>1,833.6</b>	<b>1,940.6</b>	<b>2,003.7</b>	<b>2,152.5</b>	<b>2,205.3</b>	<b>2,285.4</b>	<b>2,404.6</b>	<b>2,494.6</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>1,601.8</b>	<b>1,742.8</b>	<b>1,833.6</b>	<b>1,940.6</b>	<b>2,003.7</b>	<b>2,152.5</b>	<b>2,205.3</b>	<b>2,285.4</b>	<b>2,404.6</b>	<b>2,494.6</b>
<b>OPERATING COSTS</b>											
CAM Costs For Vacant Areas	INR Million	(10.5)	(5.3)	(0.4)	-	-	-	-	-	-	-
Property Taxes	INR Million	(10.0)	(10.5)	(11.1)	(11.6)	(12.2)	(12.8)	(13.4)	(14.1)	(14.8)	(15.6)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(20.5)</b>	<b>(15.9)</b>	<b>(11.5)</b>	<b>(11.6)</b>	<b>(12.2)</b>	<b>(12.8)</b>	<b>(13.4)</b>	<b>(14.1)</b>	<b>(14.8)</b>	<b>(15.6)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>1,581.3</b>	<b>1,727.0</b>	<b>1,822.1</b>	<b>1,929.0</b>	<b>1,991.5</b>	<b>2,139.7</b>	<b>2,191.8</b>	<b>2,271.3</b>	<b>2,389.8</b>	<b>2,479.0</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	30,493.7
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(304.9)
Fit Out Income	INR Million	3.4	4.3	4.3	4.5	4.9	4.9	5.2	3.2	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>1,584.7</b>	<b>1,731.2</b>	<b>1,826.4</b>	<b>1,933.5</b>	<b>1,996.4</b>	<b>2,144.6</b>	<b>2,197.0</b>	<b>2,274.5</b>	<b>2,389.8</b>	<b>32,667.8</b>
Maintenance Capex	INR Million	(27.0)	(28.7)	(30.1)	(32.0)	(32.9)	(35.6)	(36.3)	(37.6)	(39.6)	(41.1)
Brokerage Expenses	INR Million	(10.9)	(12.3)	(3.7)	(0.2)	(0.1)	(32.3)	(14.6)	(2.7)	(0.3)	(14.6)
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(163.1)</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>1,383.6</b>	<b>1,690.2</b>	<b>1,792.6</b>	<b>1,901.4</b>	<b>1,963.4</b>	<b>2,076.7</b>	<b>2,146.1</b>	<b>2,234.2</b>	<b>2,349.9</b>	<b>32,612.1</b>

## Future Development- IT/ITeS

Year		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	-	-	-	4.9	95.0	220.6	392.8	573.7	628.6	661.5
O&M Markup	INR Million	-	-	-	5.4	33.6	66.2	115.9	150.8	159.7	166.8
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	10.3	128.6	286.9	508.7	724.5	788.3	828.3
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	10.3	128.6	286.9	508.7	724.5	788.3	828.3
<b>OPERATING COSTS</b>											
CAM Costs For Vacant Areas	INR Million	-	-	-	(9.7)	(6.8)	(11.6)	(18.8)	(1.3)	-	-
Property Taxes	INR Million	-	-	-	(1.0)	(1.1)	(2.3)	(3.7)	(3.9)	(4.1)	(4.3)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	-	(10.8)	(7.9)	(13.9)	(22.5)	(5.2)	(4.1)	(4.3)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	-	(0.5)	120.7	272.9	486.2	719.2	784.2	824.0
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	10,226.1
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(102.3)
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	-	-	-	(0.5)	120.7	272.9	486.2	719.2	784.2	10,947.8
Maintenance Capex	INR Million	-	-	-	(0.1)	(1.9)	(4.4)	(7.9)	(11.5)	(12.6)	(13.2)
Brokerage Expenses	INR Million	-	-	-	(9.8)	(20.6)	(21.7)	(34.1)	(11.9)	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	(156.9)	(627.5)	(996.0)	(1,102.3)	(1,085.9)	(594.5)	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(156.9)	(627.5)	(996.0)	(1,112.7)	(987.7)	(347.7)	444.2	695.8	771.7	10,934.6




**Future Development- Mixed-Use**


Year		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	-	-	-	42.31	132.94	233.29	260.95	553.24	1,092.78	1,479.44
O&M Markup	INR Million	-	-	1.01	18.60	43.52	62.91	70.64	140.25	231.90	275.68
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	1.01	60.91	176.46	296.20	331.59	693.49	1,324.68	1,755.12
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	1.01	60.91	176.46	296.20	331.59	693.49	1,324.68	1,755.12
<b>OPERATING COSTS</b>											
O&M cost	INR Million	-	-	-	-	-	-	-	-	-	-
CAM Costs For Vacant Areas	INR Million	-	-	(9.19)	(28.20)	(12.12)	-	(78.37)	(69.62)	(19.94)	-
Insurance Cost	INR Million	-	-	-	-	-	-	-	-	-	-
Property Taxes	INR Million	-	-	(1.64)	(1.72)	(1.80)	(1.89)	(6.46)	(6.79)	(7.13)	(7.48)
Lease Rent Payments	INR Million	-	-	-	-	-	-	-	-	-	-
R&M Reserve	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	(10.83)	(29.92)	(13.92)	(1.89)	(84.83)	(76.41)	(27.06)	(7.48)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	(9.82)	30.99	162.54	294.30	246.76	617.08	1,297.62	1,747.64
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	21,763.74
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(217.64)
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	-	-	(9.82)	30.99	162.54	294.30	246.76	617.08	1,297.62	23,293.74
GIL upfront payment	INR Million	288.14	288.14	203.39	-	-	-	-	-	-	-
Property Management Fees	INR Million	-	-	-	-	-	-	-	-	-	-
Maintenance Capex	INR Million	-	-	-	(0.85)	(2.66)	(4.67)	(5.22)	(11.06)	(21.86)	(29.59)
Brokerage Expenses	INR Million	-	-	(3.61)	(20.79)	(23.64)	(9.69)	(20.02)	(84.09)	(88.29)	-
<b>Total Construction Costs</b>	<b>INR Million</b>	(872.21)	(882.94)	(662.21)	(1,263.73)	(1,684.97)	(1,684.97)	(1,263.73)	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(872.21)	(882.94)	(675.64)	(1,254.37)	(1,548.72)	(1,405.02)	(1,042.20)	521.93	1,187.47	23,264.15

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

**Ready Reckoner Rate**



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



Market Value of Apartment

(\*) marked items are mandatory

District *	North 24 Parganas	Thana *	Rajarhat
Local Body *	Gram Panchayat Plus	Mouza *	Hidco ( Block - D H )
Road		Road Zone	
Premises No.	Premises No	Ward No.	Ward No
Jurisdiction of *	A.D.S.R. RAJARHAT	Gram Panchayat Plus *	RAJARHAT BISHNUPUR-I

Plot No *	RS	00001	/	Bata No	Project Name *	Not Available
Apartment Type *	<ul style="list-style-type: none"> <li>Flat/Apartment</li> <li>Mezzanine Floor</li> <li>Covered Garage</li> <li>Open Garage</li> <li>Commercial</li> </ul>				Area in Sq. Feet	Covered Area
Use of Flat *	Office				Floor Type *	Tiles
Flat located in which floor *	0				Flat No.	Flat No
Age of the Flat (in year) *	5				Litigated Property?	No
Is property on Road	Yes				Width of Approach Road (In feet)	Width of Approach Road
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  Try new characters

Market Value of Apartment :- Rs. 5,260/-


Service Count: 5,78,126

N.B.-To be verified from the appropriate Registration Office after filling up proper e-Requisition Form

**Land Rate**



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



Market Value of Land

(\*) marked items are mandatory

<p>District * <input type="text" value="North 24-Parganas"/></p> <p>Local Body <input type="text" value="Gram Panchayat Plus"/></p> <p>Road <input type="text" value=""/></p> <p>Premises No. <input type="text" value="Premises No"/></p> <p>Jurisdiction of <input type="text" value="A.D.S.R. RAJARHAT"/></p> <p>Project Name <input type="text" value="Not Available"/></p>	<p>Thana * <input type="text" value="Rajarhat"/></p> <p>Mouza <input type="text" value="Hicoa ( Block - D H )"/></p> <p>Road Zone <input type="text" value=""/></p> <p>Ward No. <input type="text" value="Ward No"/></p> <p>Gram Panchayat Plus <input type="text" value="RAJARHAT BISHNUPURJ"/></p>
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Plot No   /       RS Khatian No.  /

To get owner details of property please enter LR plot no and LR khatian no.

<p>Proposed Land Use <input type="text" value="Office"/></p> <p>Area of Land</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Acre</th> <th style="text-align: left;">Decimal</th> <th style="text-align: left;">Bigha</th> <th style="text-align: left;">Katha</th> </tr> <tr> <td><input type="text" value="Acre"/></td> <td><input type="text" value="Decimal"/></td> <td><input type="text" value="Bigha"/></td> <td><input type="text" value="Katha"/></td> </tr> </table> <p>Adjacent to Metal Road <input type="text" value="Yes"/></p> <p>Encumbered by Tenant <input type="text" value="No"/></p> <p>Bargadar <input type="text" value="No"/></p> <p>Litigated Property <input type="radio"/> Yes <input checked="" type="radio"/> No</p>	Acre	Decimal	Bigha	Katha	<input type="text" value="Acre"/>	<input type="text" value="Decimal"/>	<input type="text" value="Bigha"/>	<input type="text" value="Katha"/>	<p>Nature of Land (as recorded in ROR) <input type="text" value="Office"/></p> <p>Chatak      Sq. Feet      Total Area of Land(Decimal)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td><input type="text" value="Chatak"/></td> <td><input type="text" value="1"/></td> <td><input type="text" value="0.00229167"/></td> </tr> </table> <p>Approach Road Width (In feet) <input style="background-color: yellow;" type="text" value=""/></p> <p>Tenant is Purchaser ? <input type="text" value="No"/></p> <p>Bargadar is Purchaser? <input type="radio"/> Yes <input checked="" type="radio"/> No</p>	<input type="text" value="Chatak"/>	<input type="text" value="1"/>	<input type="text" value="0.00229167"/>
Acre	Decimal	Bigha	Katha									
<input type="text" value="Acre"/>	<input type="text" value="Decimal"/>	<input type="text" value="Bigha"/>	<input type="text" value="Katha"/>									
<input type="text" value="Chatak"/>	<input type="text" value="1"/>	<input type="text" value="0.00229167"/>										

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Existing Market Value of Land: Rs. 7,305/-

Distance from nearest main road and market not found from GIS, hence can not generate market value.

Error Code:02

**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:

- Installed rooftop solar panels and undertaken initiatives to reduce water and energy consumption and reduce our carbon footprint;
- Introduced several amenities such as a telecom store, pharmacy, convenience stores, banks, salons, courier and concierge services and F&B outlets including some which operate round-the-clock
- During the lockdown period refurbished the amenities block with amenities such as swimming pool and also undertook structural renovations and refurbishments

**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 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 G2, Gurugram, NCR**

Date of Valuation: 31 March 2021

Date of Report: 18 May 2021

**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. 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 15 March 2021 without the prior written consent of the Valuer.*

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

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 15 March 2021. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

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



## Executive Summary

Candor Techspace IT/ITeS SEZ (G2), Sector-21, Gurugram, NCR	
<b>Valuation Date:</b>	31 March 2021
<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>Candor Techspace G2 is located Old Delhi – Gurugram road, Dundahera, Gurugram (herein after referred to as G2 and/ or Subject Property). G2 is spread over 28.526 acres of land parcel comprising of IT/ITeS SEZ developments. It is accessible via Old Delhi Road (30-metre-wide road) which further connects Dwarka Link Road on north and Gurugram city on south. It is well connected with other parts of the city through road and metro rail network. It is located in one of the established office, residential and retail micro-markets of Gurugram. The profile of surrounding development for the Subject Property constitutes developed residential and commercial developments.</p>
<b>Description:</b>	<p>G2 constitutes 13 completed buildings along with future development area. The listing of buildings under each component is as follows:</p> <p><b>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</b></p> <p>The operational buildings collectively admeasure 3,856,047 sq. ft. of leasable area with 91.2% committed occupancy*.</p> <p><b>Future development – Building name is Not Available (NA)</b></p> <p>The future development has leasable area of 99,924 sq. ft and is expected to be ready by Q1 FY 2023-24. 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>
<b>Total Area:</b>	<p>Total Land Area: 28.526 Acres</p> <p>Completed Leasable Area: 3,856,047 sq. ft.</p> <p>Future Development Leasable Area: 99,924 sq. ft.</p> <p>Total Leasable Area: 3,955,971 sq. ft.</p>



View of Tower 2 at Subject Property



View of Tower 6 at Subject Property



View of Amenity Block at Subject Property

Source: Architect's Certificate, \*Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information

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

As per rent roll, 0.2 million sq. ft. of space occupied by E&Y is scheduled to expire on 31<sup>st</sup> March 2021. Hence from 1<sup>st</sup> April 2021, the vacancy is to be 86.1%.

**MARKET VALUE OF THE FINANCIAL INTEREST\* OF SUBJECT PROPERTY**

<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 March 2021	INR 43,072 Million	Indian Rupees Forty-Three Billion and Seventy-Two Million Only
Future Development	31 March 2021	INR 561 Million	Indian Rupees Five Hundred and Sixty- One Million Only

*\*Property has a 28% JDA interest structured as a revenue share to the landowner.*

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

## CONTENTS

<b>Disclaimer .....</b>	<b>1</b>
<b>Executive Summary .....</b>	<b>2</b>
<b>A REPORT .....</b>	<b>6</b>
1 Instructions .....	6
2 Professional Competency of The Valuer .....	6
3 Independence and Conflicts of Interest .....	7
4 Purpose of Valuation .....	7
5 Basis of Valuation .....	7
6 Valuation Approach & Methodology .....	8
7 Assumptions, Departures and Reservations .....	9
8 Inspection .....	9
9 General Comment .....	9
10 Confidentiality .....	9
11 Authority .....	9
12 Reliant Parties .....	9
13 Limitation of Liability .....	10
14 Disclosure and Publication .....	10
15 Anti-Bribery & Anti-Corruption .....	11
<b>B NATIONAL CAPITAL REGION REPORT .....</b>	<b>12</b>
1 National Capital Region Overview .....	13
2 Brookfield India REIT's City Market- Gurugram .....	15
2.1 Overview .....	15
2.2 Key Statistics – Gurugram .....	18
2.3 Supply, Absorption & Vacancy .....	19
2.4 Rental Trend Analysis .....	21
2.5 Sectoral Demand Analysis – Gurugram (2015 –Q1 2021) .....	22
3 Gurugram North - Competitive REIT Micro Market .....	23
3.1 Overview .....	23
3.2 Social and Physical Infrastructure .....	24
3.3 Supply, Absorption & Vacancy Analysis .....	25
3.4 Rental Trend Analysis .....	26
3.5 Sectoral Demand Analysis (2015 – Q1 2021) .....	27
3.6 Market Outlook .....	28
<b>C PROPERTY REPORT .....</b>	<b>29</b>
1 Address, ownership and title details of Subject Property .....	30
1.1 Encumbrances .....	30
1.2 Revenue Pendencies .....	30
1.3 Material Litigation .....	30
2 Location .....	30
2.1 General .....	30
2.2 Accessibility .....	31
2.3 Ground Conditions .....	32
2.4 Environmental Considerations .....	32
2.5 Town Planning and Statutory Considerations .....	32
3 Subject Property - Asset Details .....	33
3.1 Key Asset Information .....	34
3.2 Property Inspection .....	37
3.3 Investigation, Nature and Source of Information .....	38
3.4 Tenant Profile .....	39
3.5 Lease Expiry Profile .....	40
4 Valuation Methodology .....	40
4.1 Market and Location Assessment: .....	40
4.2 Portfolio Assessment: .....	41
4.3 Preparation of Future Cash Flows: .....	41
4.4 Information Sources .....	42
5 Assumptions considered in Valuation .....	43
6 Market Value .....	52
Annexure 1: Ownership Structure of Subject Property .....	53

Annexure 2:	Property Layout Plan.....	54
Annexure 3:	Property Photographs .....	55
Annexure 4:	Statement of Assets .....	57
Annexure 5:	List of Sanctions and Approvals.....	58
Annexure 8:	Ready Reckoner Rate and Land Rate.....	61
Annexure 9:	Major Repairs Undertaken and Proposed in the Subject Property .....	62
Annexure 10:	Caveats & Limitations.....	63

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

**To:** Brookfield India Real Estate Trust

**Property:** Candor Techspace G2, Sector – 21, Gurugram, NCR

**Report Date:** 18 May 2021

**Valuation Date:** 31 March 2021

## **A REPORT**

### **1 Instructions**

Brookfield India Real Estate Trust (hereinafter referred to as the “**Instructing Party**” or the “**Client**”), has appointed Mr. Shubhendu Saha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “**Valuer**”), 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 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 10 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

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

Mr. Shubhendu Saha, the Valuer for the Subject Property is registered as a valuer with IBBI for the asset class Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since 15 May 2019. He completed his Bachelor’s in Planning from the School of Planning and Architecture, New Delhi in 1997 and Master’s in Management Studies from Motilal Nehru National Institute of Technology, Allahabad in 1999.

Mr. Saha has more than 20 years of experience in the domain of urban infrastructure and real estate advisory. From 2009 to 2015, he was the national practice head of Valuation Advisory services of DTZ International Property Advisers Private limited (now known as Cushman and Wakefield Property Advisers Private Limited), a leading International Property Consulting firm in India. He also led the business solutions and consulting services for the property management business of Cushman and Wakefield India Private Limited from 2015 to 2017. In early part of his career, he worked with renowned organisations like ICRA Limited, Copal Research

(now known as Moody's Analytics) and National Council of Applied Economic Research. His last employment was with PwC as Director Real Estate Advisory before he started his practice as an independent valuer.

As the leader of valuation services business at DTZ, Mr. Saha authored India specific guidelines of the RICS Valuation Standards ("Red Book") for financial accounting, taxation and development land, which became part of the 7th edition of Red Book. He is the first registered valuer under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 to undertake the valuation of REIT assets for an IPO. Mr. Saha also led the valuation of India's first listed portfolio of healthcare assets at Singapore Stock Exchange as a Business Trust and led numerous valuation exercises for multiple private equity funds, real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. His clientele includes, Mindspace REIT, Embassy REIT, K Raheja Corp, Air India, HDFC, Religare Health Trust, Duet Hotels, DLF, RMZ, Embassy Group, Citibank, Tishman Speyer, IL&FS, HSBC, IDFC, Ascendas India etc.

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

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Subject Property 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 his engagement as the Valuer.

### **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 on 31 July 2019, effective from 31 January 2020.

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

## 6 Valuation Approach & Methodology

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

### Market Approach

In 'Market Approach', the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

### Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

#### Income Approach - Direct Capitalization Method

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

#### Income Approach - Discounted Cash Flow Method

The income approach is based on the premise that value of an income producing asset is a function of future benefits and income derived from that asset. Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income and cost associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below.

#### Income Approach - Discounted Cash Flow Method using Rental Reversion

Given the market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase the attractiveness of the property to prospective tenants. Such benefits are 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, typically the impact of such sub/above market leases on the valuation of the Subject Property are normalised by estimating the rental revenue achievable at the end of the term, based on the expected rents in the market.

The valuation for the Subject Property has been derived by adopting income approach, utilising the discounted cash flow method with rental reversion.

## **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 10 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 19 March 2021 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise and the Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct.

## **9 General Comment**

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

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

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject 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.

## **11 Authority**

Client acknowledges and agrees that the valuation exercise undertaken (including, without limitation, the Reports itself and the contents thereof) is solely for the purpose set out in paragraph 4 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in paragraph 4 herein, then (a) Valuer will require, and Client must provide or cause to be provided, an indemnification agreement in his favour, given by parties reasonably satisfactory to him, and (b) Client will obtain his consent to the references in such materials to the Report.

## **12 Reliant Parties**

The Reliant Parties would mean Brookprop Management Services Private Limited (“Brookprop” or “Manager”), Brookfield India REIT and their unitholders and Axis Trustee Services Limited (“Trustee”). The reliance on this report is extended to the Reliant Parties for the purpose as highlighted in this Valuation Report.



The auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

The valuation exercise is conducted strictly and only for the use of the Reliant Parties 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 has provided the services exercising due care and skill but does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the Valuer shall not accept liability for any errors, misstatements, omissions in the report caused due to false, misleading or incomplete information or documentation provided to him by the Instructing Party.
- The Valuer's maximum aggregate liability for claims arising out of or in connection with the Valuation, under this contract shall not exceed the professional indemnity insurance obtained by him. As on the date of Letter of Engagement ("LOE") and this report the professional indemnity insurance maintained by the Valuer is for INR 50 Million (Indian Rupees Fifty Million).
- In the event that any of the BSREP India Holdings V Pte. Ltd (the "Sponsor"), Manager, Trustee, Brookfield India REIT or other intermediaries appointed in connection with the 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 Valuation, the Claim Parties will be entitled to require the Valuer, to be a necessary party/ respondent to such claim and the Valuer shall not object to his inclusion as a necessary party/ respondent. However, the legal cost with respect to appointment of lawyers by the Valuer as a respondent/ defendant shall be borne by the Client. If the Valuer, as the case may be, does not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard and his liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Valuer is neither responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/validation of the zoning regulations/development controls etc.

### **14 Disclosure and Publication**

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

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

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

Both Parties represents, warrants and undertakes that:

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

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

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

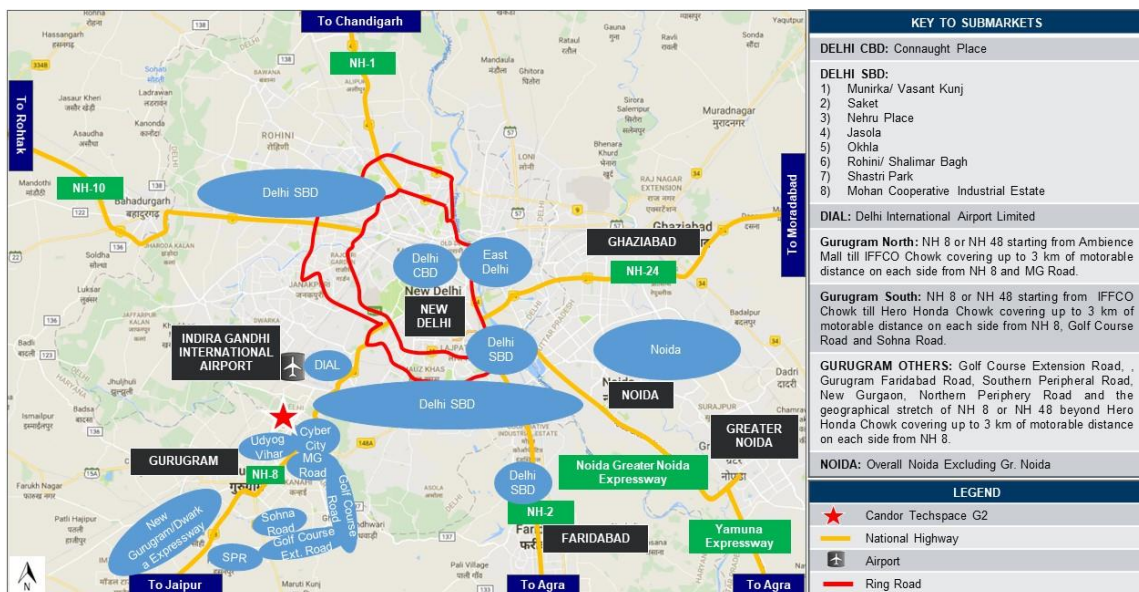
## **B NATIONAL CAPITAL REGION REPORT**

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 National Capital Region Overview**

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

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



Source: Cushman & 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 2021 (million sq. ft.)</b>	76.82	3.29	1.37	53.76	18.41	25.22
<b>Current Occupied Stock till Q1 2021 (million sq. ft.)</b>	60.67	2.31	1.27	42.15	14.95	22.69
<b>Current Vacancy Q1 2021 (%)</b>	21.00%	29.84%	7.05%	21.60%	18.80%	10.04%
<b>Avg. Annual Absorption - 2015 – Q1 2021 (million sq. ft.)</b>	3.57	0.18	0.19	2.21	0.99	0.60
<b>Future Supply – Q2 2021 E – 2023 E (million sq. ft.)</b>	16.07	0	0.65	11.90	3.53	1.68
<b>Market Rent – Q1 2021 (INR psf / month)</b>	88.09	144.75	224.66	93.68	51.53	112.87
<b>CAGR for Market Rent (2015 - Q1 2021)</b>	2.65%	1.60%	6.35%	2.73%	4.50%	4.90%

Source: Cushman & 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. ^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 less than 1 lakh square feet and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for 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 southwest 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 it 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 the 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 the Cyber City. Compared to other suburban locations in Delhi, Gurugram enjoys several competitive advantages like presence of large multi-national corporations (MNCs) and their corporate office hubs, presence of multiple nationalized developers, connectivity, address value, support infrastructure etc. Locational advantages along with presence of physical and social infrastructure has helped Gurugram to emerge as one of the prime office markets of NCR.



Source: Cushman & 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 Mouslari 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. Southern Periphery Road (SPR) and Northern Periphery Road (NPR) are the upcoming office locations. 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 Gurgaon, 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 Shriram, Shiv Nadar, Lotus valley, Suncity etc.; good hospitals like Artemis, Medanta, Fortis etc.; retail malls like Ambience, 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 market 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 attract the occupier base across categories.



**2.2 Key Statistics – Gurugram**

Particulars	Details
<b>Total Completed Stock (Q1 2021)</b>	Approximately 53.76 million sq. ft.
<b>Current Occupied Stock (Q1 2021)</b>	Approximately 42.15 million sq. ft.
<b>Current Vacancy (Q1 2021)</b>	Approximately 21.60%
<b>Avg. Annual Net Absorption (2015 – Q1 2021)</b>	Approximately 2.21 million sq. ft.
<b>Future Supply (Q2 2021 E – 2023 E)</b>	Q2 2021 – Q4 2021: Approximately 2.63 million sq. ft.
	2022: Approximately 4.56 million sq. ft.
	2023: Approximately 4.71 million sq. ft.

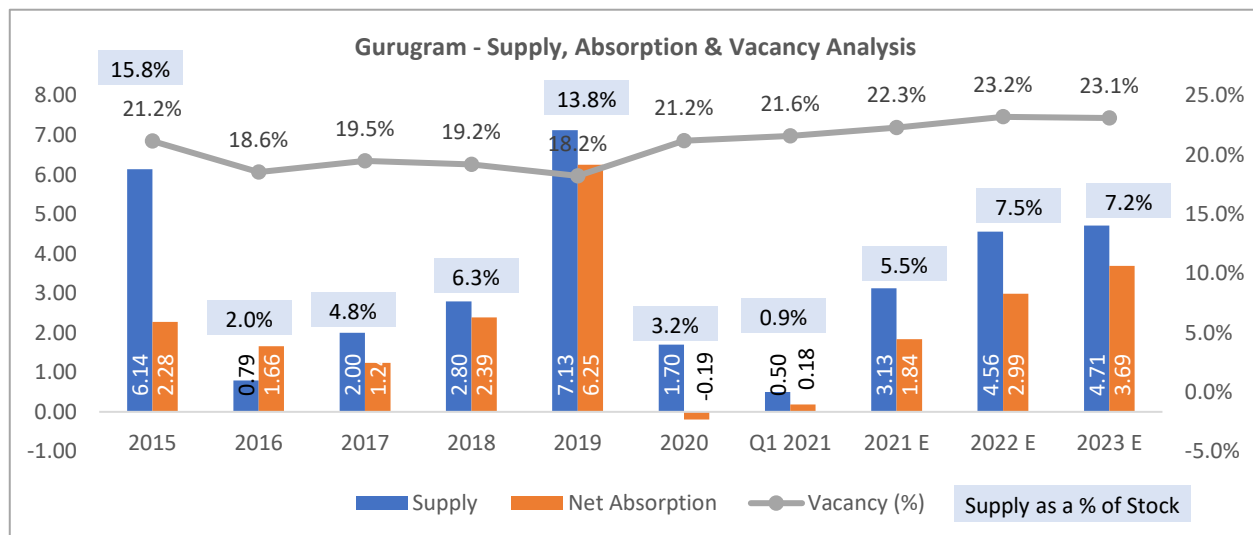
Source: Cushman & Wakefield Research

Notes:

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

### 2.3 Supply, Absorption & Vacancy

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



Source: Cushman & Wakefield Research

**Notes:**

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

Evolution of Gurugram as an office market has been phenomenal. With Gurugram emerging as an alternate to Delhi, it has witnessed multiple pattern 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.

Multiple projects launched in 2009-11 underwent staggered developments and eventually got completed in 2014-15. Since this supply addition wasn't in line with the existing demand at the time, it caused increased vacancy levels in Gurugram. The supply was eventually absorbed in subsequent years. Further, 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 boost from the government and city limits expanding; office spaces offering better amenities are preferred over others. The increased confidence levels in the market are illustrated by uptick in demand numbers with 2019 net absorption outperforming historical data points significantly. CY 2020 and Q1 2021 have witnessed net absorption of -0.19 (negative) million sq. ft and ~0.02 million sq. ft respectively due to covid-19.

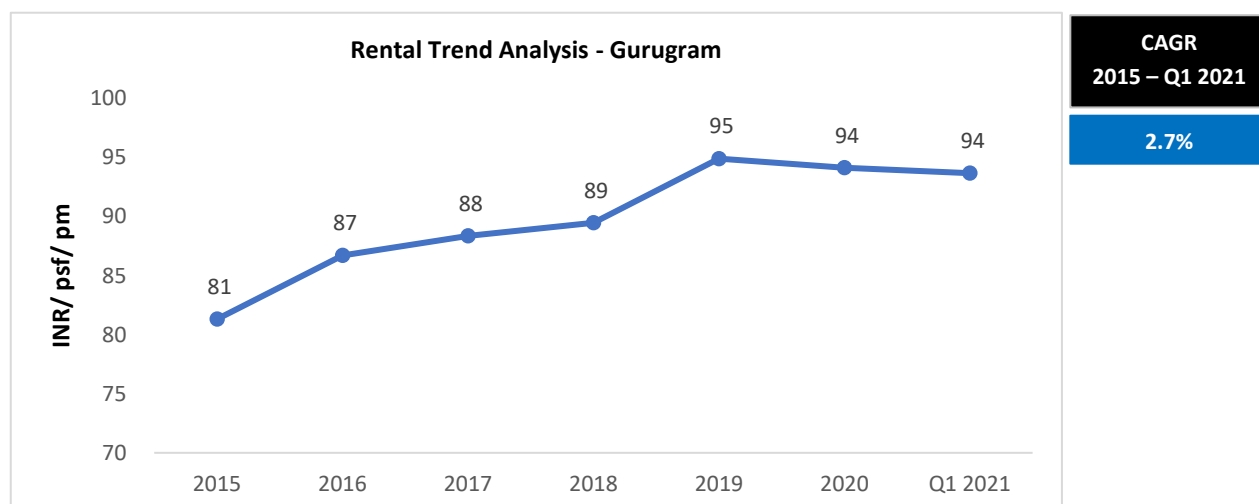
Going forward, office supply in the city is expected to rationalize, as understood from under-construction and proposed developments. Moreover, among other factors mentioned above, Gurugram's nature of hosting

diverse demand from sectors like Technology, BFSI, professional services, media and telecom would help keeping the net absorption figures high. In our view, the future supply would follow net absorption trends, maintaining the real estate growth momentum in the city.

In spite of the outbreak of Covid-19, resulting in short term challenges for the office real estate sector, the vacancy is expected to stand at 22.3% for entire 2021. With continuous grade A supply which is likely to be supported by occupier interest in this market, it is expected that the vacancy shall remain in similar range in coming years.

## 2.4 Rental Trend Analysis

The rental trend for Gurugram is as follows:



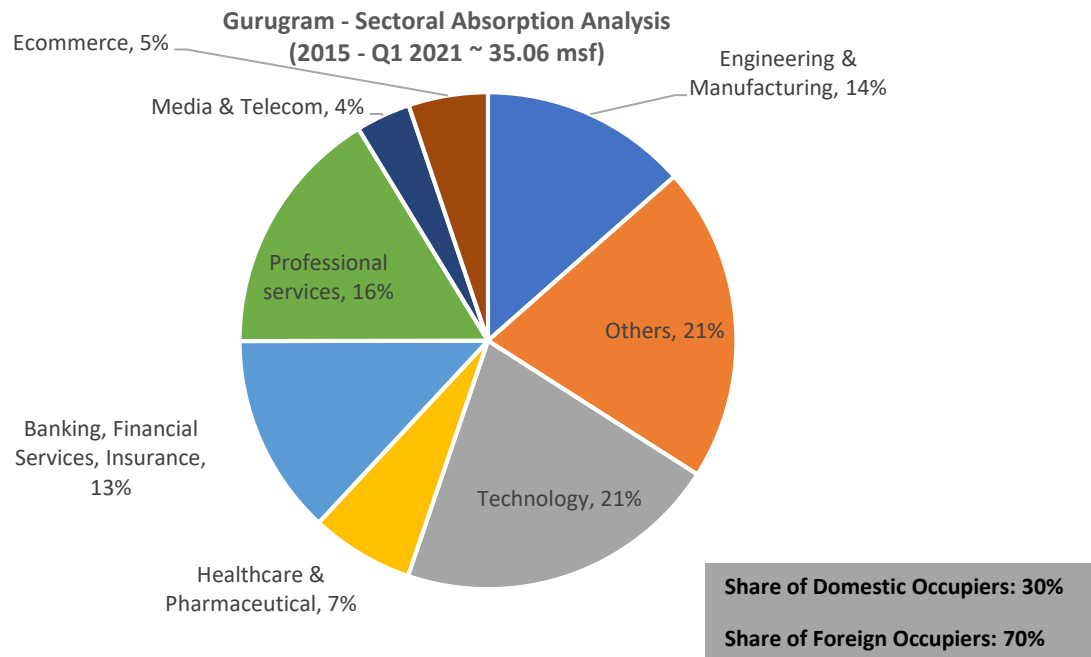
Source: Cushman & Wakefield Research

### Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet 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 Brookfield India 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 has witnessed a rental CAGR of 2.7% from 2015 till Q1 2021, in spite of the Covid induced stagnation in rentals for last 12-15 months. The development activity in Gurugram happened in phases and the new clusters kept getting added to the supply as the demand grew. This led to expansion of city limits and emergence of new micro markets. Hence, the office micro markets of Gurugram are at various stages of development and offers a healthy mix of commercial, IT/ITeS and SEZ developments. With consistent addition of new micro markets in the office supply and consistent rental growth, prior to Covid related disruptions impacting the market, illustrates high occupier interest in the city-market.

**2.5 Sectoral Demand Analysis – Gurugram (2015 –Q1 2021)**



Source: Cushman & Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of 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 equal mix of commercial and IT/ITeS & SEZ developments and reflects similar positioning in demand. Technology is the prominent sector contributing 21% to the overall demand. The other prominent industries contributing 43% to the demand are professional services (16%), BFSI (13%) and Engineering & Manufacturing (14%). Emergence of new requirements viz. startups, individual set ups, change in consumer behaviour has led to the increase in demand from industries like flexi work space, E-commerce etc. in the recent years. The mix of foreign vs. domestic occupants in Gurugram is 70:30.

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

#### **3.1 Overview**

Gurugram North is the largest office micro markets of Gurugram. It is an established office, residential and retail destination of Gurugram. The office supply in this Brookfield India 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 Brookfield India 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 & Wakefield Research  
(Map not to scale)



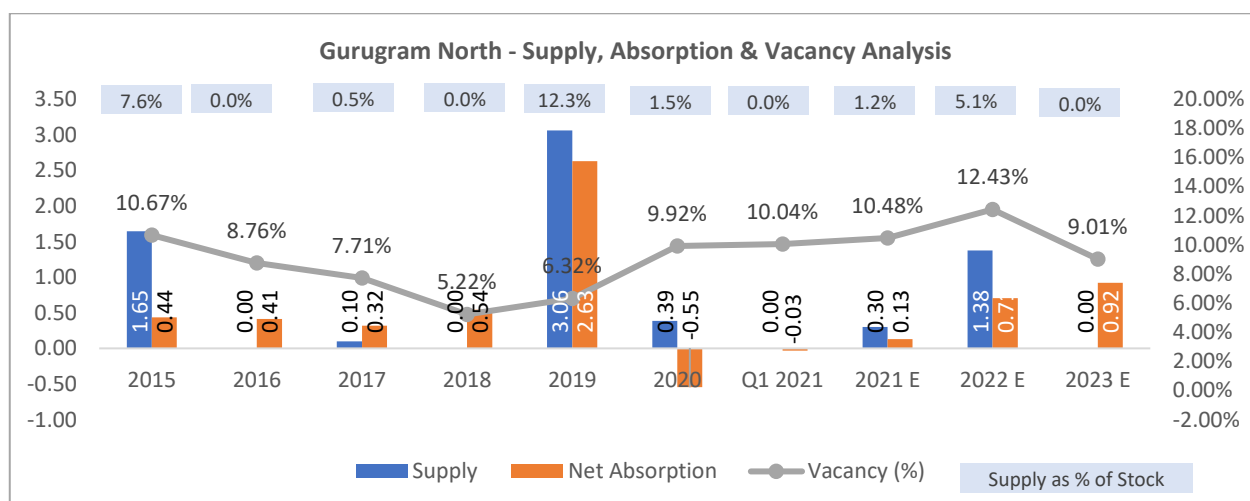
Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Under Construction & Proposed Office Developments	Hospitality Developments	Higher Education Institutions
1. DLF Cyber City (3.2 km)	1. Rotary Public School (1.5 km)	1. Ansal Plaza (4.2 km)	1. DLF Hines JV (2.5 km)	1. Hotel Hyatt Place (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. 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. Hotel Leela (6.6 km)	3. Fairfield Institute of Management & Technology (2.4 km)
	4. Day Cares	4. MGF Metropolitan Mall (7.1 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 connects 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 Brookfield India REIT’s micro market (assuming Subject Property being the point of measurement). Currently the nearest metro line to the Subject property is Rapid Metro with Cybercity station being the nearest metro station. 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 approval from the central government is yet to be obtained.

### 3.3 Supply, Absorption & Vacancy Analysis



Source: Cushman & Wakefield Research

**Notes:**

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

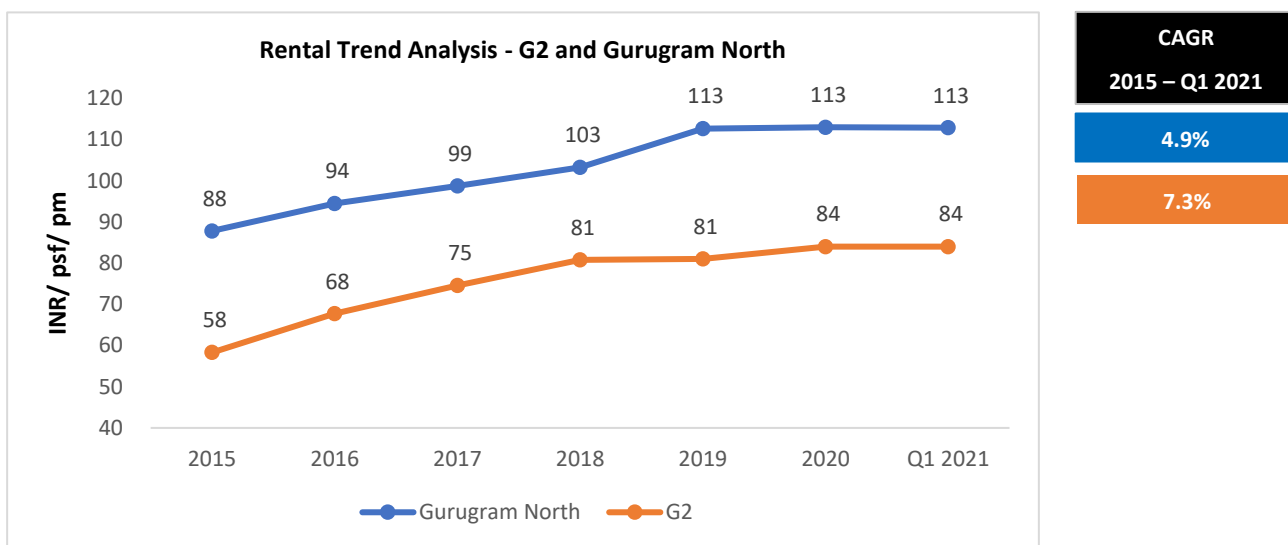
This Brookfield India REIT micro market refers to the geographical stretch of NH-48 starting from Ambience Island till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH-48 and MG Road.

It is the biggest micro market of the city, contributing about 45% of total stock of Gurugram. Gurugram North has witnessed limited supply since 2015 and witnessed consistent demand from occupiers. The Brookfield India REIT micro market benefits from its location and presence of established players like Brookfield and DLF. The Brookfield India 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 in next 2-3 years.



Because of the outbreak of Covid-19 and short-term challenges faced by economy at large, Gurugram North vacancy is expected to stand 10.0% in 2021. However, with continuous demand from occupiers and the established location of the micro-market, we expect the vacancy to reach 9% by 2023.

### 3.4 Rental Trend Analysis



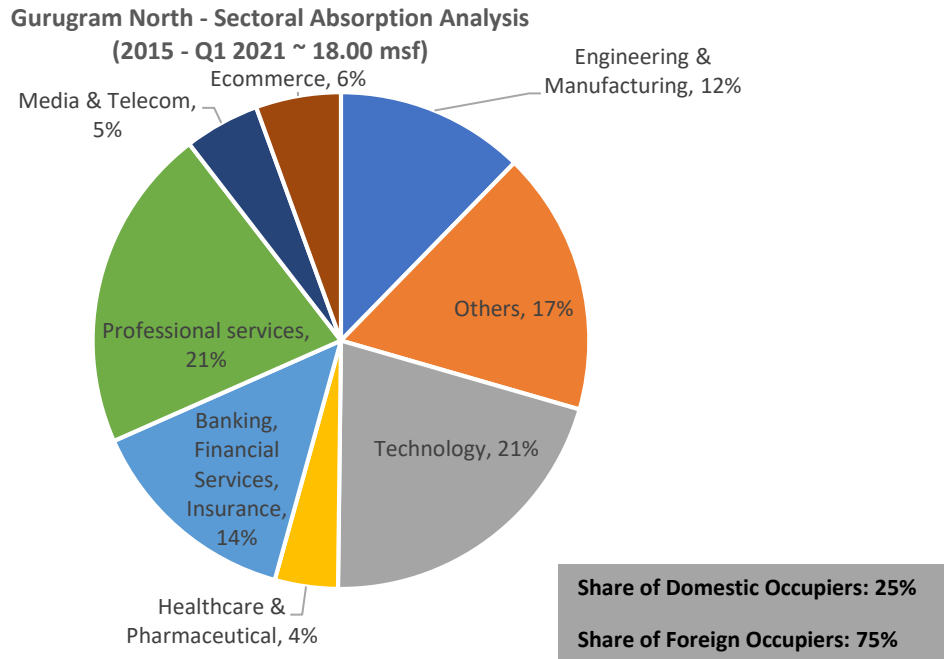
Source: Cushman & Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. Rentals for 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.
3. 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 the Delhi and larger NCR at large, as compared to the rest of Gurugram. The Brookfield India 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 7.3% as compared to a growth of 4.9% in the Brookfield India REIT micro market over the same period.

**3.5 Sectoral Demand Analysis (2015 – Q1 2021)**



Source: Cushman & Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of 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 42% of the leasing activity in the years 2015 – Q1 2021. The tenants are attracted to the Brookfield India REIT micro market due to availability of good physical and social infrastructure. The technology occupiers in this micro market are involved in the activities of software development, process engineering, research and development etc. The other prime contributors to the demand are Engineering & Manufacturing and BFSI together contributing 26%. The engineering occupiers in this micro market are involved in the activities of telecom research and development, automobile sales etc. The mix of foreign vs. domestic occupants in Gurugram North is 75:25.

### 3.6 Market Outlook

According to the market assessment report of Cushman & Wakefield, current average market rentals of comparable properties in the Gurugram North are in the range of INR 85-115 per sq. ft. per month, which is broadly in line with the recent leases signed in the Subject Property. Further over 2015-Q1 2021, the rentals in Brookfield India REIT micro market grew at a CAGR of 4.9%. Going forward, considering the limited future supply in the Brookfield India REIT micro market and improvements in connectivity through planned elevated corridors and underpasses and expansion of metro network impacting positively on the rentals, annual growth rate of 5-7% in the market rentals appears achievable.

The outbreak of COVID-19, declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, and has continued to impact many aspects of daily life and the global economy. Individual markets have reacted differently to the COVID-19 outbreak, aftermath and further waves. Travel, movement and operational restrictions have been implemented by many countries. In some cases, lockdowns have been applied to varying degrees and to reflect further waves of COVID-19. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

In India as well, the government has adopted similar measures to contain the spread of Covid-19 which has caused business disruption impacting the economic activity. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

As per WHO, there are more than 250 COVID-19 vaccine candidates at different stages of trials. COVID-19 vaccine in India was launched on 16 January 2021. This was initially deployed to essential services workers and senior citizens. The coverage has now been expanded to people aged 18 years and above and with increased coverage in subsequent months, it can reasonably be expected that disruptions caused by the pandemic would subside in the coming year.

The commercial real estate sector has so far shown reasonable resilience to the disruptions caused by Covid-19. With the gained intelligence about the pandemic and rapid progress witnessed in the development and deployment of the vaccine, we expect the corporates to resume their operations from their respective office spaces, as the situation starts to stabilize soon. This is expected to be followed by the demand for commercial office spaces, which have been vacated due to pandemic over the last year, to come back and then the demand for additional commercial office spaces is expected to arise, as the deferred corporate decision-making starts to materialize. Therefore, we expect slow recovery in the demand for commercial real estate in short-mid term before the demand resumes its long-term trajectory.

## **C PROPERTY REPORT**

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

Address:	Old Delhi – Gurugram road, Dundaheera, Gurugram, Haryana – 122001, 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

### 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 Ind-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 Old Delhi – Gurugram road, Dundaheera, Gurugram. 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 micro market of Gurugram North. Being located in Gurugram North micro market, Subject Property has access to good physical and social infrastructure. 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. Also, 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 situation.

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 approval from the central government is yet to be obtained.

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



(Map not to scale)

The site boundaries the Subject Property are as follows:

- North: Vacant Land Parcel
- West & South: Developed Residential Formats
- East: Access Road

**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
- Approximately 09 km from Gurugram Railway Station
- Approximately 09 km from IGI Airport
- Approximately 23 km from Connaught Place

**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. Delhi NCR where the Subject Property is located falls in Seismic Zone IV with high risk of earthquakes. However, the city faces moderate risk in terms of high winds or cyclones.

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 at higher elevation compared to its immediate surroundings, indicating low risk of flooding and unlikely to face any significant problems of 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 Details

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

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

**Future development**– The future development has 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	26,744	Completed	NA
Tower 2	561,738	Upto 11	25,534	Completed	NA
Tower 3	464,108	Upto 8	19,338	Completed	NA
Block 4 (Amenity Block-1)	67,802	-	-	Completed	NA
Block 4A (Amenity Block-2)	22,611	-	-	Completed	NA
Tower 5	25,071	2	12,536	Completed	NA
Tower 6	630,908	10	31,545	Completed	NA
Tower 7	443,898	9	49,322	Completed	NA
Tower 8A	500,268	10	25,013	Completed	NA
Tower 8B					
Tower 9	202,761	6	22,529	Completed	NA
Tower 10 (MLCP)	98,796	-	-	Completed	NA
Tower 11	196,241	11	17,840	Completed	NA
NA	99,924	-	-	Future Development	Q1 FY 2023-24
<b>Total</b>	<b>3,955,971</b>		<b>28,138</b>		

Source: Architect's Certificate, Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information



### 3.1 Key Asset Information

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

Particulars	Details
Entity:	Candor Kolkata One Hi-Tech Structures Private Limited
Interest owned by REIT (%):	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>
Age of building based on the date of occupancy certificate:	Tower 2 - 9 years and 6 months Tower 2 - 9 years and 6 months Tower 3 - 9 years and 6 months Block 4 (Amenity Block-1)- 9 years and 6 months Block 4A (Amenity Block-2)- 3 years and 4 months Tower 5 - 9 years and 6 months Tower 6 - 3 years and 4 months Tower 7 - 3 years and 1 month Tower 8A - 3 years and 4 months Tower 8B - 3 years and 4 months Tower 9- 3 years and 1 month Tower 10 (MLCP)- 3 years and 1 month Tower 11 – 1 year 1 month
Asset type:	Approved IT/ITeS SEZ
Sub-market:	Gurugram North
Approved and existing usage:	IT/ITeS SEZ
Land Area (acres):	~28.526
Freehold/Leasehold:	Freehold Land
Leasable Area:	3,856,047 sq. ft.
Occupied Area:*	3,514,826 sq. ft.
Committed Occupancy (%)*	91.2%
Current Effective Rent (excluding parking)	INR 80 per sq. ft. per month (Office tenants only)
Current Effective Rent (excluding parking)	INR 80 per sq. ft. per month (Office, Retail and Telecom tenants only)

**Number of Tenants**

15 (office)

*Source: Architect's Certificate, Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information*

Note:

Refer company structure set out in Annexure 1.

\* As per rent roll, 0.2 million sq. ft. of space occupied by E&Y is scheduled to expire on 31st March 2021. Hence from 1st April 2021, the vacancy is to be 86.1%.

**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>	Q1 FY 2023-24
<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 and Client Information*

### 3.2 Property Inspection

The Subject Property comprising 13 operational buildings along with a future development area was physically inspected on 19 March 2021. The inspection comprised visual inspection of operational buildings constituting the property, visits to their key utility areas such as LT electric room, pump room, HVAC installations, power back up, STP, under-construction buildings and area provisioned for future development. The common areas and vacant floors within the operational buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

The Subject Property is an IT/ITeS SEZ office space developed in a campus format offering large floor plates with significant open/green areas and number of amenities for occupiers. On the date of site inspection, the Subject Property had 13 operational buildings comprising nine office towers namely 1, 2, 3, 5, 6, 7, 8A, 8B, 9, two amenity blocks (Block 4 & 4A) one MLCP (Tower 10) along with recently completed Tower 11 and a future development area.

The office towers are occupied by multiple tenants and amenity blocks constituting retail area caters to all basic requirement of occupiers viz. F&B (in form of multi-cuisine food courts and in-house kitchens), pharmacy, bank ATM, creche, sports arena, wellness centre, convenience store, dental clinic etc. In addition, Tower 10 (MLCP) constitutes 98,796 sq. ft. of office area and 289,035 sq. ft. of car parking area to cater 499 cars parking. 5th and 6th floors of MLCP are being used as office and are occupied by Saxo India.

Tower 11 is an SEZ building admeasuring 196,238 sq. ft. of leasable area having Ground + 10 office floors.

The visual inspection of the operational towers 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. 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. It has been awarded IGBC Platinum Rating for sustainability in addition to the group wide ISO certification for Quality, Environmental and Occupational Health & Safety Management Systems namely ISO 9001, ISO 14001 and OHSAS 18001.

### 3.3 Investigation, 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 properties proposed to be part of the REIT.

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

- 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 March 2021) 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 9*)
  - 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 March 2021, the Subject Property's top 10 tenants occupying space in the subject property, account for ~83.2% of leasable area and ~91.5% of the gross rental income (including office, retail and telecom tenants).

Rank	Top 10 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Accenture	1,238,937
2	TLG (Sapient)	548,562
3	RBS	437,598
4	BACI	283,827
5	Amdocs	204,053
6	E&Y*	1,95,005
7	Saxo India	137,758
8	BT E-Serv	116,631
9	Moody's	93,848
10	R1 RCM	81,024
<b>Total</b>		<b>3,337,243</b>

Source: Rent Roll as at 31 March 2021 and Client Information

\*As per rent roll, 1,95,005 sq. ft. of space occupied by E&Y is scheduled to expire on 31st March 2021.

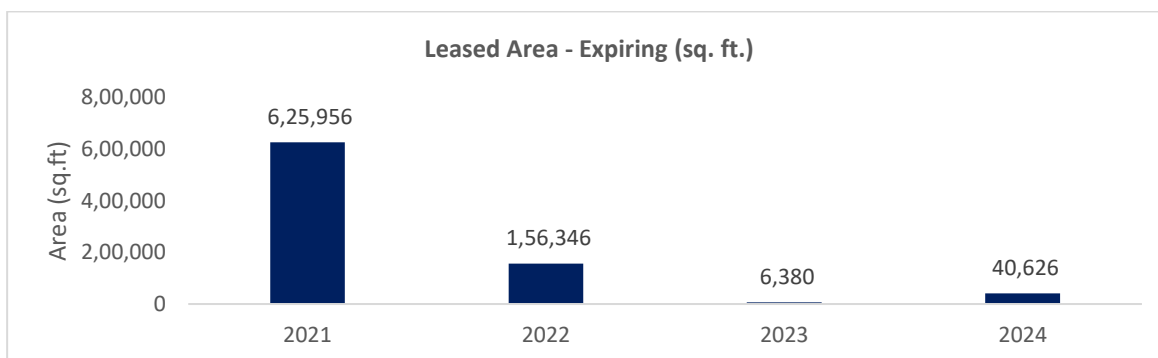
Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Accenture	34.4%
2	TLG (Sapient)	14.1%
3	RBS	12.4%
4	BACI	9.2%
5	E&Y*	6.0%
6	Amdocs	6.1%
7	Saxo India	4.1%
8	BT E-Serv	3.4%
9	Moody's	2.7%
10	R1 RCM	2.6%
<b>Total</b>		<b>94.4%</b>

Source: Rent Roll as at 31 March 2021 and Client Information

\*As per rent roll, 1,95,005 sq. ft. of space occupied by E&Y is scheduled to expire on 31st March 2021.

### 3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the property is 7.04 years, with ~24% of occupied area expiring between 2021 and 2024 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 31 March 2021 and Client Information

**Notes:**

1. The chart is prepared on the basis of Calendar Year.
2. The time period for 2021 is considered from 1 April till 31 December.
3. As per rent roll, 0.2 million sq. ft. of space occupied by E&Y is scheduled to expire on 31st March 2021.

## 4 Valuation Methodology

In order to compute the Market Value of the Subject Properties it is prudent to understand the market dynamics and the location where the Subject Property is located (existing and future supply, demand from occupiers, average office space take up by an occupier in a particular sector, existing vacancy numbers and the rentals, likely growth of the office space etc.). Understanding of the micro market positioning (where the Subject Property is located) with respect to a location is also very important. The next step then becomes to understand the situation of the Subject Property (current achievable rentals, vacancy numbers, competing supply in the micro market etc.) with respect to the micro market.

Each of the steps required to assess the Market Value of the Subject Properties is detailed below:

### 4.1 Market and Location Assessment:

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

- i. Market dynamics influencing the rents along with Subject Property rents were studied in detail. Further, the location setting of the Subject Properties in the respective micro-markets were assessed. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by CWI and readily available information in public domain to ascertain the transaction activity of office space. The analysis entailed review of comparable properties in terms of potential competition (both completed and under-construction/future developments), comparable recent lease transactions witnessed in the micro-market along with the trends in leasing within the Subject Properties in recent past, wherever available. This analysis enabled the Valuer to have an informed opinion on the market rent (applicable rental for the micro-market where the respective Subject Properties are located) and achievable market rent (Valuer's view on achievable rent for the respective Subject Properties for leasing vacant spaces, potential leasable area under development or planned as well as upon re-leasing of the existing let out area).

- ii. For tenants occupying relatively large space within the Subject Properties, where there may be some instances of areas being let out at lower than market rent, it is assumed that the leases shall revert to market rent following the expiry of the lease, factoring appropriate re-leasing time.

#### 4.2 Portfolio Assessment:

- i. As the first step, the rent rolls (which includes review of corresponding leases deeds) on a reasonable sample basis were reviewed to identify tenancy characteristics for the Subject Properties. As part of the rent roll review, major tenancy agreements were reviewed on a reasonable sample basis.
- ii. For anchor/large tenants, adjustments on achievable market rent or additional lease-up timeframe have been adopted upon lease reversion wherever relevant.
- iii. Title Report, Architect's 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 Properties.
- iv. Physical site inspections were undertaken to assess the current status of the Subject Properties.

#### 4.3 Preparation of Future Cash Flows:

- i. Net operating income (NOI) has primarily been used to arrive at the Market Value of the Subject Properties. The cash flows for the operational, under construction and future development area have been projected separately for the purpose of estimating and reporting valuation in accordance with the SEBI (REIT) Regulations
- ii. The projected future cash flows from the property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Properties. For vacant area, under-construction area and future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation wherein 11<sup>th</sup> year NOI is capitalized (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.

Each of the lease was assessed to project the cash flows for a period of 10 years. The assessment was carried out in the following manner:

<b>Step 1</b>	<p>Rental income from existing tenants up to the period of lease expiry, lock-in expiry, escalation milestones, etc. is projected whichever is applicable. In the event of any vacant spaces, achievable market-rent is assumed for future income for such spaces with suitable time for leasing up the space.</p> <p>This data is then used to generate market aligned revenue stream from existing and potential tenants for the desired time period.</p>
<b>Step 2</b>	<p>In the event the escalated contracted rent is higher than the achievable market rent by 15%, the contracted terms are ignored, and the terms are reverted to market. In the event the escalated contracted rent is below 115% of the achievable market rent, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rental income for respective leases until lease expiry as well as post expiry.</p>



**Step 3**

Computing the monthly rental income projected as part of Step 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).

- i. Recurring operational expenses, fit-out income (wherever applicable, however, the same has not been included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provision have been adopted in-line with prevalent market practices and conditions. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For all Subject Properties, operational revenues and expenses of the respective properties 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 and normalised for the purpose of cash flow projections. The 1-year forward income for the 11<sup>th</sup> year has been capitalized to assess the terminal value of the development at the end of year 10.

**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

The following assumptions have been made to arrive at the market value of the Subject Property as on 31 March 2021:

### Completed Building with Occupancy Certificate (OC) received

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-21
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-31

### Property Details

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	3,856,047
Area Leased	Sq. ft.	3,514,826
Committed Occupancy*	%	91.2%
Vacant Area	Sq. ft.	341,221
Vacancy	%	8.8%
Stabilized Vacancy	%	2.5%
Further Leasing <sup>#</sup>	Sq. ft.	452,155
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases (First Year)	Months	3
Rent Free Period- Existing Leases - Post First Year	Months	1
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	6,212
Estimated Leasing Period	# of quarters	6

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

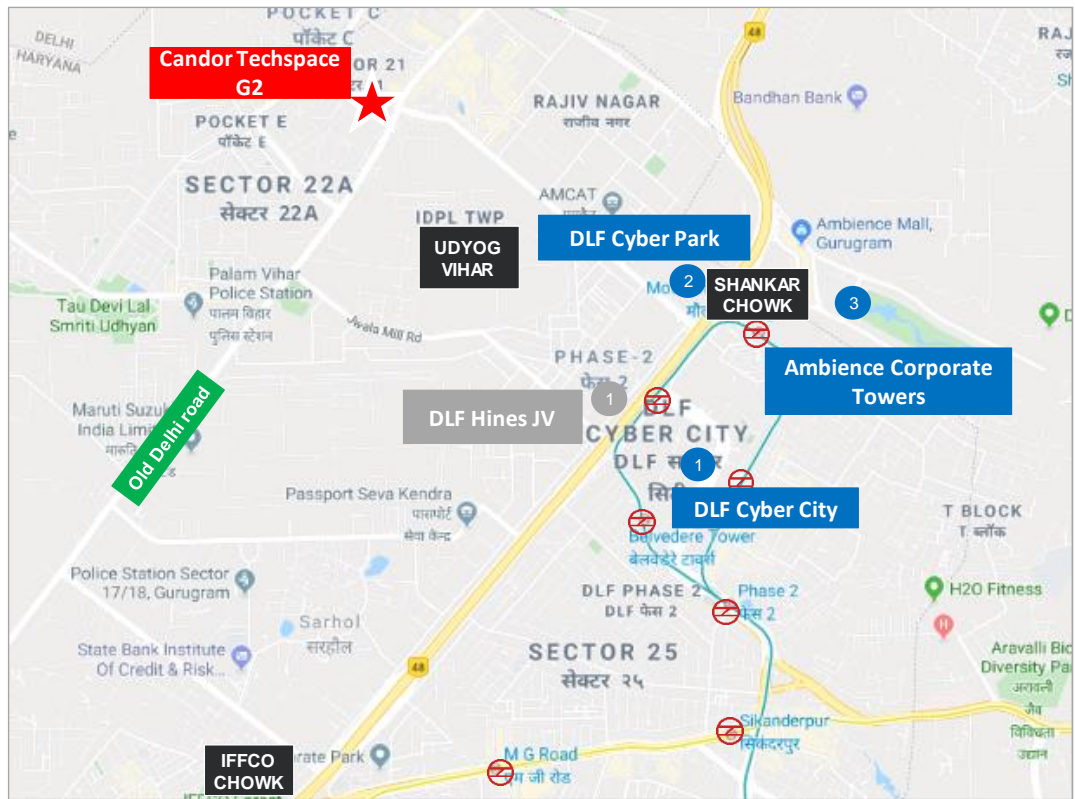
*\*Committed Occupancy = (Occupied area + Completed area under Letters of Intent)/ Completed area*

*As per rent roll, E&Y presently occupying 0.2 million sq. ft. is scheduled to expire in 31<sup>st</sup> March 2021. Hence from 1<sup>st</sup> April 2021, the vacancy is stated to be 86.1%.*

*<sup>#</sup>Further Leasing area includes the area of 0.2 million sq. ft. of E&Y as mentioned above*

- **Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of one month has been considered for existing lease rollovers and four months for new leases. Amidst temporarily suppressed demand due to current economic slowdown, we expect the tenants being offered an additional 2 months of rent-free period for all the existing lease rollovers happening within the upcoming 12 months (from 1 April 2021) in order to retain and support them.
- **Future absorption:**
  - Over 2015- Q1 2021, the Gurugram North micro market has witnessed an average annual net absorption of approximately 0.57 million sq. ft.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.56 million sq. ft. per annum till 2023.

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



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

- Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.45 million sq. ft. within 6 quarters from April 2021.
- Further leasing area of ~0.45 million sq. ft. has been assumed after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
- We have considered 6 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2021, due to temporarily suppressed demand.

**Revenue Assumptions**

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Base)	Per sq. ft. per month	INR 82.00
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 88.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 120.00
Other Income	Per sq. ft. per month	INR 0.32
Rental Growth Rate – (for FY'23)	% p.a.	5.0%
Rental Growth Rate (for FY'24 - FY'27)	% p.a.	7.0%
Rental Growth Rate (for FY'28 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% 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 10.26

*\*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.*

- **Achievable 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 2020- 2021, approximately 0.20 million sq. ft. was leased in the rental range of INR 42-87 per sq. ft. per month (including parking).

**Lease Transactions 2020-2021**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft)
Moody's	2020	17,655	80
Cvent	2020	19,506	42
HCL	2020	14,570	83
Salmon	2020	27,130	51
Saxo India	2021	39,012	86
EUI	2021	32,106	80
Accenture	2021	50,071	87

*Source: Rent roll as at 31 March 2021 and Client Information*

- Considering the location, accessibility, quality, size of the building, and keeping in view of the future supply which is very limited, enable the SEZ buildings to command a premium hence it can reasonably be assumed that the Subject Property shall be able to command a monthly rental of INR 88 per sq. ft. per month (including parking charges).
- **Rental 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 5-7% in the medium to long term.

However, due to current market condition we have not assumed any rental escalation for next 12 months. Post this we have considered an annual rental growth of 5.0% until FY 23. This is expected to be followed by an accelerated annual rental growth rate of 7.0% during FY 24 to FY 27, as the markets gain momentum coming out of the Covid related slowdown, before the micro-market re-aligns to its long term growth trajectory of 5.0%.

- **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'22 range from INR 9.5-10.5 per sq. ft. per month. Further, the total CIOP expense for FY'22 for G2 is considered to be INR 42.02 Million. The CIOP expense is a property management fee fixed at INR 204.75 million for FY'20 (the said amount has been divided between the properties of Brookfield India REIT portfolio (excluding Kensington) on pro rata basis computed on leasable area) as per the agreement shared with us and has been escalated at 5% annually for subsequent years. Thus, the CIOP expense for FY'22 is INR 225.74 Million. Tenants are charged INR 3.02 – 7.07 per sq. ft. per month, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency:** As per our market study, we understand that the efficiency of Subject Property is in line with the efficiency of other SEZ developments. Hence, we have not made any adjustments regarding the same for our valuation analysis.

### 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 6.07
Property Tax	Per sq. ft./month	0.10
Cost Escalation	% p.a.	5.0%
Transaction Cost on sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2

Please note that there is a general development expenditure of INR 50 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, Insurance Cost & Landowner JDA share:** Property tax has been provided for FY'21 and the same has been projected to increase at 5% per annum from FY'22 onwards. Both Insurance cost & Landowner JDA share (INR 0.87 per sq. ft.) form 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 & Capitalization Rate Assumptions

- **Capitalization Rate:**

Capitalization rate (“Cap rate”) is a real estate industry metric referring to the ratio of the Net Operating Income (NOI) arising rental income to their gross asset value indicating the expected income yield of the investor from concerned property. It reflects the expectation of the investor on stability of rental income driven by the asset quality, tenant profile, market demand-supply dynamics and macro-economic expectations on prevailing risk free/low risk interest rates. In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for a proposed public listing with better liquidity/marketability of ownership interest, the cap rate for the Subject Property has been assumed to be 8% in line with the available market information applied on the one year forward NOI in the terminal year.

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (Sq.Ft.)	Deal Size (INR Mn)	Capitalization Rate
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	8.0%
Tishman Speyer - GIC	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

- **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.



**Future Development**

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

**Property Details**

Property Details	Unit	Future Development
Total Property Leasable Area	Sq. ft.	99,924
Stabilized Vacancy	%	2.5%
Existing Lease Rollovers	%	100%
Rent Free Period – Existing Leases Rollover	Months	1
Rent Free Period – New Leases	Months	4
Estimated Leasing Period	# of quarters	4

**Construction Related Assumptions**

Construction Related Assumptions	Units	Future Development
Start Date of Construction		Jan -22
End Date of Construction		June -23
Total Construction Cost <sup>3</sup>	INR Million	319
Construction Cost Incurred till Date	INR Million	-
Construction Cost to be Incurred	INR Million	319

**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 82.00
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 88.00
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Rental Growth Rate (for FY'24 - FY'27)	% p.a.	7.0%
Rental Growth Rate (for FY'28 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% 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 10.26

**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 over the discount rate for completed properties to arrive at a discount rate of 13.00% for under-construction / future development properties.

## 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 financial interest\* in the 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 2021	INR 43,072 Million	Indian Rupees Forty-Three Billion and Seventy-Two Million Only
Future Development	31 March 2021	INR 561 Million	Indian Rupees Five Hundred and Sixty-One Million Only

\*Property has a 28% JDA interest structured as a revenue share to the landowner.

### Ready Reckoner Rate

Component	Rate
Built up Area	INR 6,100 per sq. ft.
Land Area	INR 140,300 per sq. yards

\*For reference, please refer Annexure 8

I, Shubhendu Saha, the Valuer for the Subject Property, hereby declare that:

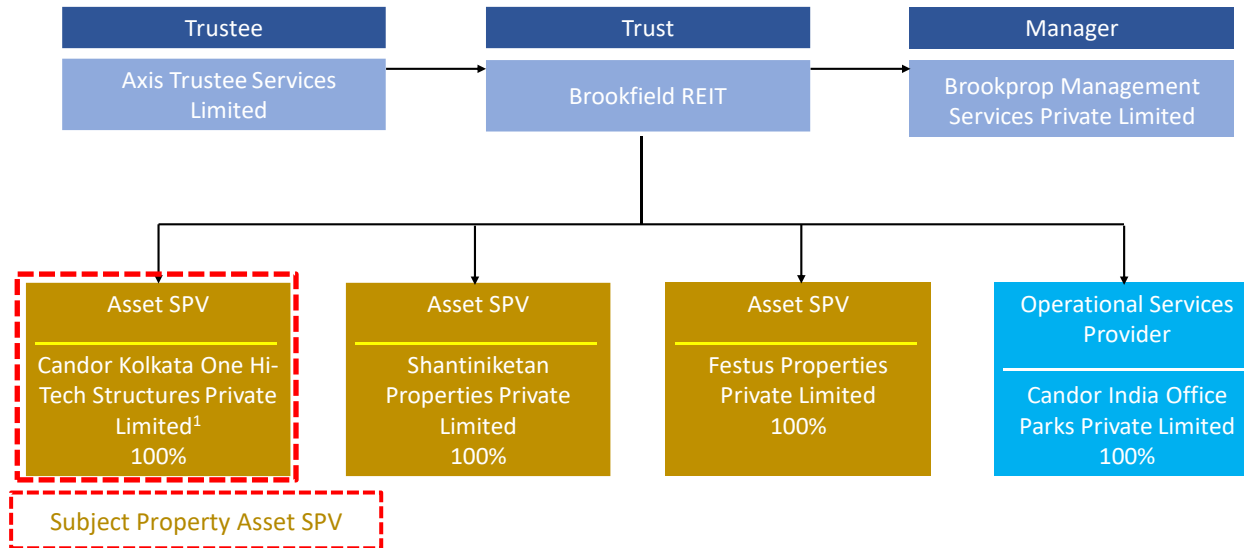
- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate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

Prepared by



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

**Annexure 1: Ownership Structure of Subject Property**

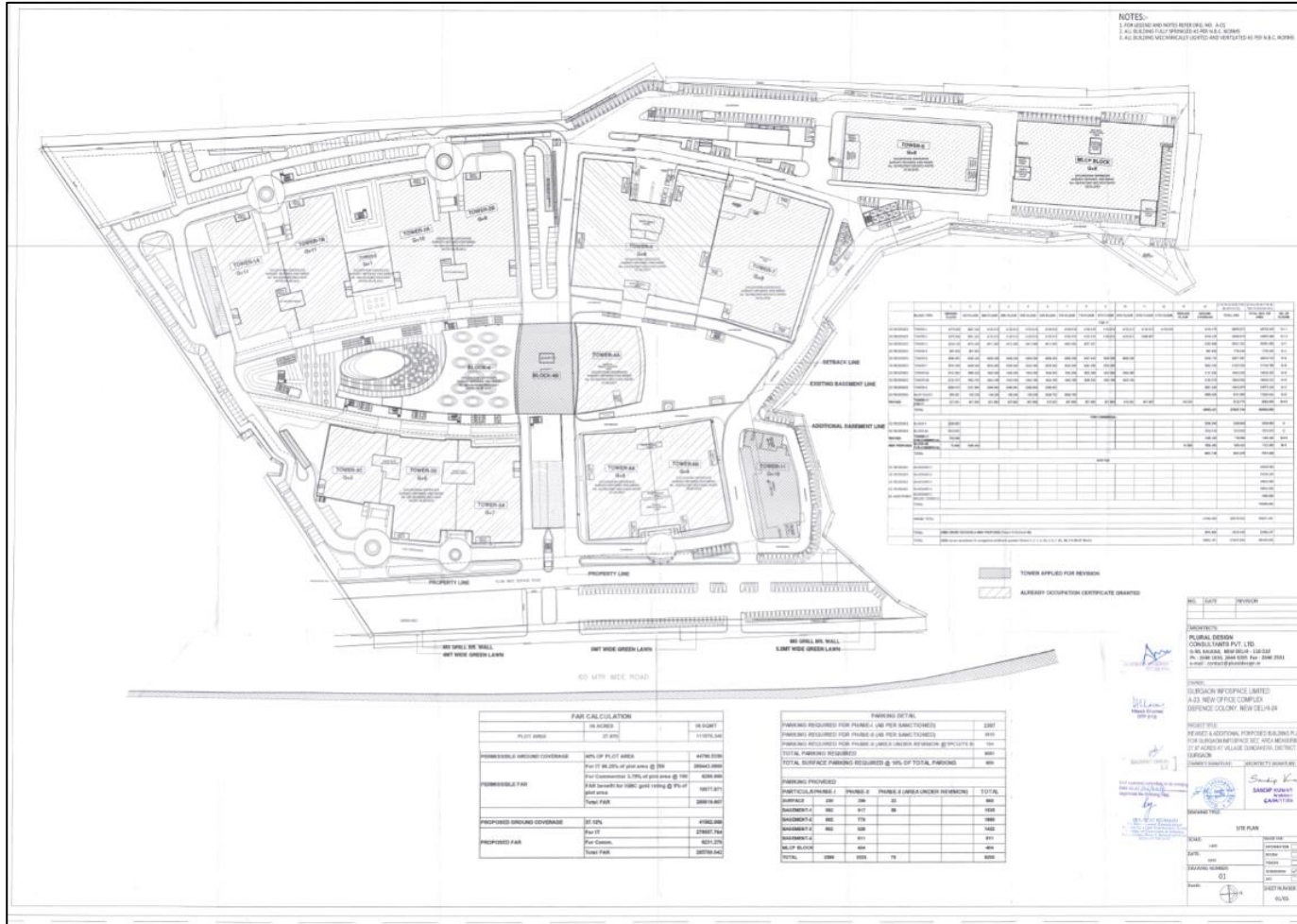


**Note:**

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 4 May 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020.

**Annexure 2: Property Layout Plan**

**Completed and Future Development Buildings**



**Annexure 3: Property Photographs**



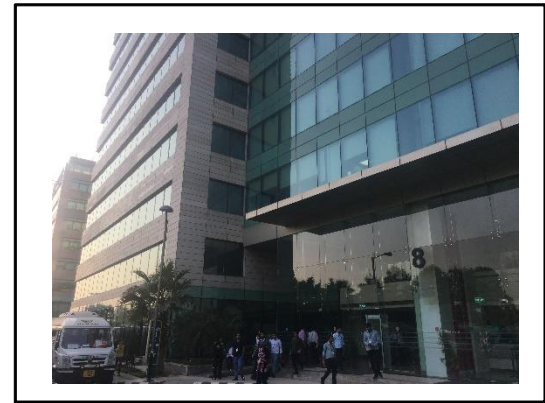
Front view of Tower 1



MLCP



Entrance of Tower 7



Tower 8A & 8B

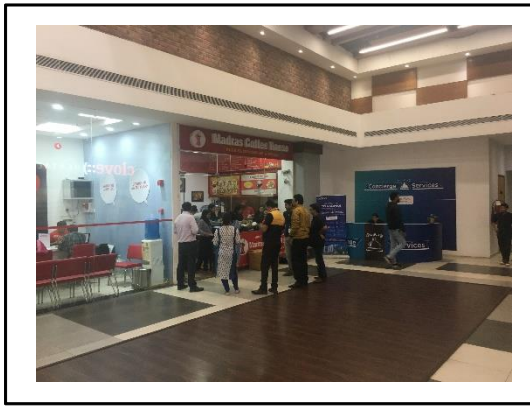


View of Tower 9



External view of Amenity Block

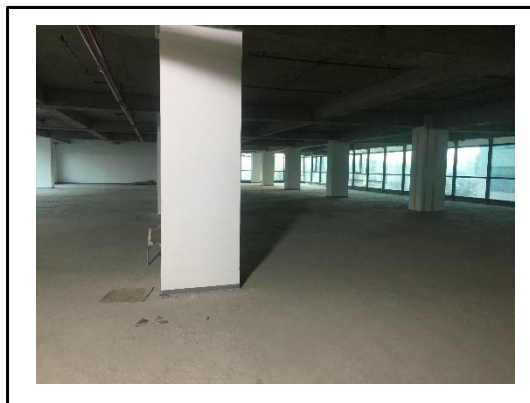




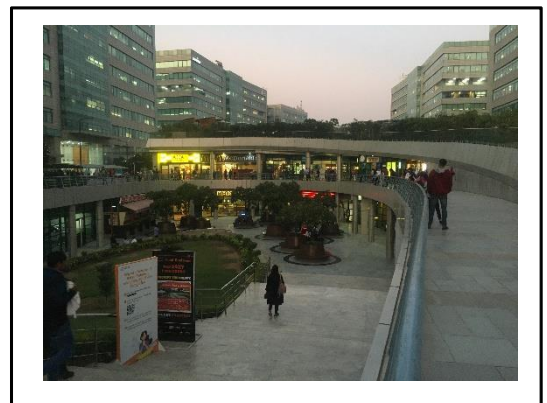
Internal view of Amenity Block



External view of under construction Tower 11



Internal view of under construction Tower 11



External view of Amenity Block & Food Court

**Annexure 4: Statement of 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



**Annexure 5: 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) Permission to Develop IT Park
- d) Sewerage Approvals for all buildings and the common campus area
- e) Consent to Establish (CTE)
- f) Environment Clearance Certificate
- g) One-time Fire NOC
- h) Height clearance NOC from AAI
- i) SEZ Notification by The Gazette of India and by Haryana Government
- j) Approval of Service Plan Estimates
- k) Consent to Operate (CTO)
- l) EC Approval

**Approvals Pending**

- a) Approvals for Future Development

**Annexure 6: Cash Flows – Completed Buildings with Occupation Certificate (OC) received - (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
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	3,010	3,472	4,097	4,247	4,491	4,712	4,896	5,223	5,520	5,716
O&M Markup	INR Million	342	492	563	589	615	642	670	699	730	762
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	16	17	17	18	19	20	21	22	23	25
<b>Total Income</b>	<b>INR Million</b>	<b>3,368</b>	<b>3,981</b>	<b>4,677</b>	<b>4,854</b>	<b>5,125</b>	<b>5,374</b>	<b>5,587</b>	<b>5,945</b>	<b>6,273</b>	<b>6,502</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>3,368</b>	<b>3,981</b>	<b>4,677</b>	<b>4,854</b>	<b>5,125</b>	<b>5,374</b>	<b>5,587</b>	<b>5,945</b>	<b>6,273</b>	<b>6,502</b>
Land Owner Share	INR Million	(847)	(977)	(1,152)	(1,194)	(1,263)	(1,325)	(1,377)	(1,469)	(1,552)	(1,607)
<b>OPERATING COSTS</b>											
CAM Costs For Vacant Areas	INR Million	(30)	(9)	-	-	-	-	-	-	-	-
Property Taxes	INR Million	(5)	(5)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(8)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(35)</b>	<b>(15)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(8)</b>
<b>Net operating income</b>	<b>INR Million</b>	<b>2,485</b>	<b>2,990</b>	<b>3,520</b>	<b>3,654</b>	<b>3,856</b>	<b>4,043</b>	<b>4,203</b>	<b>4,469</b>	<b>4,713</b>	<b>4,887</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	67,513
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(675)
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>2,485</b>	<b>2,990</b>	<b>3,520</b>	<b>3,654</b>	<b>3,856</b>	<b>4,043</b>	<b>4,203</b>	<b>4,469</b>	<b>4,713</b>	<b>71,724</b>
Maintenance Capex	INR Million	(43)	(50)	(59)	(61)	(65)	(68)	(71)	(75)	(79)	(82)
Brokerage Expenses	INR Million	(57)	(107)	(5)	(25)	(27)	(33)	(23)	(17)	(43)	(118)
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(50)</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>2,335</b>	<b>2,832</b>	<b>3,456</b>	<b>3,568</b>	<b>3,764</b>	<b>3,941</b>	<b>4,110</b>	<b>4,377</b>	<b>4,591</b>	<b>71,524</b>


**Future Development**


Year		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	-	-	4.8	88.7	119.6	122.9	136.4	137.6	141.3	156.9
O&M Markup (includes Sinking Fund & CIOP Markup)	INR Million	-	-	3.0	15.6	17.4	18.1	18.9	19.8	20.6	21.5
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	7.8	104.3	137.0	141.0	155.3	157.3	161.9	178.4
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	7.8	104.3	137.0	141.0	155.3	157.3	161.9	178.4
Land Owner Share	INR Million	-	-	(1.3)	(24.8)	(33.5)	(34.4)	(38.2)	(38.5)	(39.6)	(43.9)
<b>OPERATING COSTS</b>											
CAM Costs For Vacant Areas	INR Million	-	-	(4.6)	(0.5)	-	-	-	-	-	-
Property Taxes	INR Million	-	-	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Total Operating Costs</b>	<b>INR Million</b>	-	-	(4.8)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Net operating Income</b>	<b>INR Million</b>	-	-	1.7	78.8	103.3	106.4	117.0	118.6	122.2	134.3
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	1,702.4
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(17.0)
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	-	-	1.7	78.8	103.3	106.4	117.0	118.6	122.2	1,819.7
Maintenance Capex	INR Million	-	-	(0.1)	(1.3)	(1.7)	(1.8)	(2.0)	(2.0)	(2.0)	(2.3)
Brokerage Expenses	INR Million	-	-	(9.6)	(10.3)	-	-	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	(53.2)	(212.6)	(53.2)	-	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(53.2)	(212.6)	(61.2)	67.2	101.6	104.7	115.0	116.6	120.1	1,817.4


**Annexure 8: Ready Reckoner Rate and Land Rate**

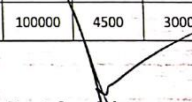
**Rate list of Tehsil Gurugram for the year 2019-2020 w.e.f. 08.08.2019....)**

Sr. No.	Huda Sectors	Rates for the Year of 2018-2019				2nd Half Rates for the Year of 2018-2019				Proposed Rates for the Year of 2019-2020			
		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 (Rs. Per Sq. Yards)	Commercial/Retail (Rs. Per Sq. Feet)	Office/IT Space (Rs. Per Sq. Feet)	Residential (Rs. Per Sq. Yards)	Commercial (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	50000	165000	10000	7000	50000	165000	10000	7000
2	Sec-14, 15, 16, 17, 40	45000	150000	9000	6600	45000	150000	9000	6600	45000	150000	9000	6600
3	Sec- 38,	40000	140000	8900	6300	40000	140000	8900	6300	40000	140000	8900	6300
4	Sec- 21,22, 22A, 23, 23A,	35000	140300	8600	6100	35000	140300	8600	6100	35000	140300	8600	6100
5	Sector 1, 2, 3, 3A, 4, 5, 6, 7, 12, 12A, 13	35000	135000	9000	6600	35000	135000	9000	6600	35000	135000	9000	6600
6	Sec-18, 19, 20,	NA	110000	9000	6600	NA	110000	9000	6600	NA	110000	9000	6600
7	Sec-25	NA	88000	9000	6600	NA	88000	9000	6600	NA	88000	9000	6600
8	Sector 104, 105, 106, 109, 110, 110A, 111, 112, 113, 114.	25000	50000	5000	4500	30000	100000	4500	3000	30000	100000	4500	3000

  
 Sub Registrar  
 Tehsil Gurugram

  
 SDG North  
 Gurugram

  
 DRO  
 Gurugram

  
 Deputy Commissioner-cum-  
 Registrar, Gurugram

**Annexure 9: Major Repairs Undertaken and Proposed in the Subject Property**

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

- Installation of a 66 KV sub-station in the office park, which we believe has reduced reliance on diesel generator sets, and has resulted in savings in electricity charges, lowering common area maintenance costs for our tenants;
- Installation of rooftop solar panels and additional rain water harvesting pits to reduce our carbon footprint and water consumption along with measures to recycle water and waste;
- Setting up terrace gardens, dedicated sports and gaming zones and introduction of several amenities such as a pharmacy, convenience stores and medical facilities;
- Renovations at the office park such as refurbishing the food court, landscaping the property and improving the lobby to enhance tenant experience; and
- Resolution of traffic congestion issues by creating dedicate zones for light and heavy commercial vehicles, working with local municipal bodies to improve external road infrastructure, managing traffic with the help of local traffic police, reduction of campus ingress and egress timings by increasing the number of operational entry and exit gates from two to four, usage of RFID based parking and relocating the parking area within the campus.

**Annexure 10: 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 N1, Sector 62, Noida**

Date of Valuation: 31 March 2021

Date of Report: 18 May 2021

**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. 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 15 March 2021 without the prior written consent of the Valuer.*

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

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated 15 March 2021. 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 (N1), Sector - 62, Noida, Uttar Pradesh, India</b>	
<b>Valuation Date:</b>	31 March 2021
<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>Candor Techspace N1 is located Plot no. B2, sector 62, Noida, Gautam Buddha Nagar (herein after referred to as N1 and/ or Subject Property). N1 is spread over 19.250 acres of land parcel comprising of IT/ITeS office space. It is accessible via two roads viz. 30-meter-wide sector road towards west, which connects to National Highway 9 (erstwhile NH 24) on north and a 45-meter-wide internal road towards east. It is well connected with other parts of the city through road and metro rail network.</p>
<b>Description:</b>	<p>N1 constitutes 9 buildings and can be segregated under three components viz. completed, under-construction and future development buildings. The listing of buildings under each component is as follows:</p> <p><b>Completed buildings with Occupancy Certificate (OC) received – Block 1, 2, 3, 6, 7 (Amenity Block) &amp; Block 5</b></p> <p>The operational buildings collectively admeasure 1,850,287 sq. ft. of leasable area with 70.9% committed occupancy*.</p> <p><b>Under-construction buildings – Block 8 (Amenity Block)</b></p> <p>Block 8 (Amenity Block) admeasuring 79,726 sq. ft. of leasable area is expected to be ready by Q2 FY 2021-22.</p> <p><b>Future development – Block 4A, Block 4B &amp; Block 7 (Extension Amenity Block)**</b></p> <p>Block 4A and 4B admeasuring 440,050 sq. ft. and 418,409 sq. ft. of leasable area respectively along with an extension of 10,064 sq. ft. in Block 7 (Amenity Block) are currently planned for future. 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. Block 4A and 4B are expected to be ready by Q1 FY 2025-26 and Q1 FY 2024-25 respectively.</p>
<b>Total Area:</b>	<p>Total Plot Area: 19.250 Acres</p> <p>Completed Leasable Area: 1,850,287 sq. ft.</p> <p>Under Construction Leasable Area: 79,762 sq. ft.</p> <p>Future Development Leasable Area: 868,523 sq. ft.</p> <p>Total Leasable Area: 2,798,572 sq. ft.</p>



External View of Subject Property



External View of Subject Property (Block - 3)



Under Construction Block 8 (Amenity Block)

Source: Architect's Certificate, \*Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information

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

\*\*The extension of Block 7 (Amenity Block) with an area of 10,064 sq. ft. is future development and has not been counted as an additional tower for the purposes of computing the number of buildings in the future development component. The same has been considered under Block 8 (Amenity Block) for Valuation computation.

<b>MARKET VALUE OF THE SUBJECT PROPERTY</b>			
<b>Component</b>	<b>Market Value as on</b>	<b>In Figures</b>	<b>In Words</b>
Completed Building	31 March 2021	INR 16,902 Million	Indian Rupees Sixteen Billion Nine Hundred and Two Million Only
Under Construction/ Future Developments	31 March 2021	INR 3,219 Million	Indian Rupees Three Billion Two Hundred and Nineteen Million Only

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

## CONTENTS

<b>Disclaimer .....</b>	<b>1</b>
<b>Executive Summary .....</b>	<b>2</b>
<b>A REPORT .....</b>	<b>6</b>
1 Instructions.....	6
2 Professional Competency of The Valuer .....	6
3 Independence and Conflicts of Interest .....	7
4 Purpose of Valuation .....	7
5 Basis of Valuation .....	7
6 Valuation Approach & Methodology.....	8
7 Assumptions, Departures and Reservations.....	9
8 Inspection .....	9
9 General Comment .....	9
10 Confidentiality .....	9
11 Authority .....	9
12 Reliant Parties .....	9
13 Limitation of Liability .....	10
14 Disclosure and Publication .....	10
15 Anti-Bribery & Anti-Corruption .....	11
<b>B NATIONAL CAPITAL REGION REPORT .....</b>	<b>12</b>
1 National Capital Region Overview .....	13
2 Brookfield India REIT's City Market - Noida.....	15
2.1 Overview .....	15
2.2 Key Statistics – Noida .....	18
2.3 Supply, Absorption & Vacancy .....	19
2.4 Rental Trend Analysis .....	20
2.5 Sectoral Demand Analysis – Noida (2015 –Q1 2021) .....	21
3 Sector 62 - Competitive REIT Micro Market .....	22
3.1 Overview .....	22
3.2 Social and Physical Infrastructure.....	23
3.3 Supply, Absorption & Vacancy Analysis.....	25
3.4 Rental Trend Analysis .....	26
3.5 Sectoral Demand Analysis (2015 – Q1 2021).....	27
3.6 Market Outlook .....	28
<b>C PROPERTY REPORT.....</b>	<b>29</b>
1 Address, ownership and title details of Subject Property .....	30
1.1 Encumbrances .....	30
1.2 Revenue Pendencies .....	30
1.3 Material Litigation .....	30
2 Location.....	30
2.1 General.....	30
2.2 Accessibility .....	31
2.3 Ground Conditions .....	32
2.4 Environmental Considerations .....	32
2.5 Town Planning and Statutory Considerations .....	32
3 Subject Property - Asset Details .....	33
3.1 Key Asset Information .....	34
3.2 Property Inspection .....	39
3.3 Investigation, Nature and Source of Information.....	40
3.4 Tenant Profile.....	41
3.5 Lease Expiry Profile.....	42
4 Valuation Methodology.....	42
4.1 Market and Location Assessment: .....	42
4.2 Portfolio Assessment:.....	43
4.3 Preparation of Future Cash Flows: .....	43
4.4 Information Sources .....	44
5 Assumptions considered in Valuation .....	45
6 Market Value.....	53

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Annexure 1:	Ownership Structure of Subject Property .....	54
Annexure 2:	Property Layout Plan .....	55
Annexure 3:	Property Photographs .....	56
Annexure 4:	Statement of Assets .....	58
Annexure 5:	List of Sanctions and Approvals .....	59
Annexure 6:	Cash Flows – Completed Buildings (Block 1, 2, 3, 5,6, 7 (Amenity Block)).....	60
Annexure 8:	Ready Reckoner Rate and Land Rate .....	64
Annexure 9:	Major Repairs Undertaken and Proposed in the Subject Property .....	66
Annexure 10:	Caveats & Limitations .....	67

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

**To:** Brookfield India Real Estate Trust

**Property:** Valuation of Candor Techspace N1, Sector – 62, Noida, Uttar Pradesh

**Report Date:** 18 May 2021

**Valuation Date:** 31 March 2021

## **A REPORT**

### **1 Instructions**

Brookfield India Real Estate Trust (hereinafter referred to as the “**Instructing Party**” or the “**Client**”), has appointed Mr. Shubhendu Saha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “**Valuer**”), 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 10 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

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

Mr. Shubhendu Saha, the Valuer for the Subject Property is registered as a valuer with IBBI for the asset class Land and Building under the provisions of The Companies (Registered Valuers and Valuation) Rules, 2017 since 15 May 2019. He completed his Bachelor’s in Planning from the School of Planning and Architecture, New Delhi in 1997 and Master’s in Management Studies from Motilal Nehru National Institute of Technology, Allahabad in 1999.

Mr. Saha has more than 20 years of experience in the domain of urban infrastructure and real estate advisory. From 2009 to 2015, he was the national practice head of Valuation Advisory services of DTZ International Property Advisers Private limited (now known as Cushman and Wakefield Property Advisers Private Limited), a leading International Property Consulting firm in India. He also led the business solutions and consulting services for the property management business of Cushman and Wakefield India Private Limited from 2015

to 2017. In early part of his career, he worked with renowned organisations like ICRA Limited, Copal Research (now known as Moody's Analytics) and National Council of Applied Economic Research. His last employment was with PwC as Director Real Estate Advisory before he started his practice as an independent valuer.

As the leader of valuation services business at DTZ, Mr. Saha authored India specific guidelines of the RICS Valuation Standards ("Red Book") for financial accounting, taxation and development land, which became part of the 7th edition of Red Book. He is the first registered valuer under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 to undertake the valuation of REIT assets for an IPO. Mr. Saha also led the valuation of India's first listed portfolio of healthcare assets at Singapore Stock Exchange as a Business Trust and led numerous valuation exercises for multiple private equity funds, real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. His clientele includes, Mindspace REIT, Embassy REIT, K Raheja Corp, Air India, HDFC, Religare Health Trust, Duet Hotels, DLF, RMZ, Embassy Group, Citibank, Tishman Speyer, IL&FS, HSBC, IDFC, Ascendas India etc.

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

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Subject Property 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 his engagement as the Valuer.

### **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 on 31 July 2019, effective from 31 January 2020.

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

## 6 Valuation Approach & Methodology

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

### Market Approach

In 'Market Approach', the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted for premiums and discounts based on property specific attributes to reflect the underlying value of the property.

### Income Approach

The income approach is based on the premise that value of an income - producing asset is a function of future benefits and income derived from that asset. There are two commonly used methods of the income approach in real estate valuation namely, direct capitalization and discounted cash flow (DCF).

#### Income Approach - Direct Capitalization Method

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

#### Income Approach - Discounted Cash Flow Method

The income approach is based on the premise that value of an income producing asset is a function of future benefits and income derived from that asset. Using this valuation method, future cash flows from the property are forecasted using precisely stated assumptions. This method allows for the explicit modelling of income and cost associated with the property. These future financial benefits are then discounted to a present-day value (valuation date) at an appropriate discount rate. A variation of the Discounted Cash Flow Method is illustrated below.

#### Income Approach - Discounted Cash Flow Method using Rental Reversion

Given the market practice in most commercial/ IT developments involves contracting tenants in the form of pre-commitments at sub-market rentals to increase the attractiveness of the property to prospective tenants. Such benefits are 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, typically the impact of such sub/above market leases on the valuation of the Subject Property are normalised by estimating the rental revenue achievable at the end of the term, based on the expected rents in the market.

The valuation for the Subject Property has been derived by adopting income approach, utilising the discounted cash flow method with rental reversion.



**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 10 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 18 March 2021 by the Valuer. No measurement or building survey has been carried out as part of the valuation exercise and the Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct.

**9 General Comment**

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

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

Property values can change substantially, even over short periods of time, and thus the valuation of the Subject 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.

**11 Authority**

Client acknowledges and agrees that the valuation exercise undertaken (including, without limitation, the Reports itself and the contents thereof) is solely for the purpose set out in paragraph 4 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in paragraph 4 herein, then (a) Valuer will require, and Client must provide or cause to be provided, an indemnification agreement in his favour, given by parties reasonably satisfactory to him, and (b) Client will obtain his consent to the references in such materials to the Report.

**12 Reliant Parties**

The Reliant Parties would mean Brookprop Management Services Private Limited (“Brookprop” or “Manager”), Brookfield India REIT and their unitholders and Axis Trustee Services Limited (“Trustee”). The reliance on this report is extended to the Reliant Parties for the purpose as highlighted in this Valuation Report.

The auditors, debenture trustees, stock exchanges, unit holders of the REIT, Securities and Exchange Board of India (SEBI), and credit rating agencies, would be extended reliance by the Valuer but would not be liable to such parties, except in case of gross negligence and wilful misconduct by the Valuer.

The valuation exercise is conducted strictly and only for the use of the Reliant Parties 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 has provided the services exercising due care and skill but does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the Valuer shall not accept liability for any errors, misstatements, omissions in the report caused due to false, misleading or incomplete information or documentation provided to him by the Instructing Party.
- The Valuer's maximum aggregate liability for claims arising out of or in connection with the Valuation, under this contract shall not exceed the professional indemnity insurance obtained by him. As on the date of Letter of Engagement ("LOE") and this report the professional indemnity insurance maintained by the Valuer is for INR 50 Million (Indian Rupees Fifty Million).
- In the event that any of the BSREP India Holdings V Pte. Ltd (the "Sponsor"), Manager, Trustee, Brookfield India REIT or other intermediaries appointed in connection with the 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 Valuation, the Claim Parties will be entitled to require the Valuer, to be a necessary party/ respondent to such claim and the Valuer shall not object to his inclusion as a necessary party/ respondent. However, the legal cost with respect to appointment of lawyers by the Valuer as a respondent/ defendant shall be borne by the Client. If the Valuer, as the case may be, does not co-operate to be named as a necessary party/ respondent to such claims or co-operate in providing adequate/ successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard and his liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.
- The Valuer will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

### **14 Disclosure and Publication**

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

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

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

Both Parties represents, warrants and undertakes that:

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

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

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

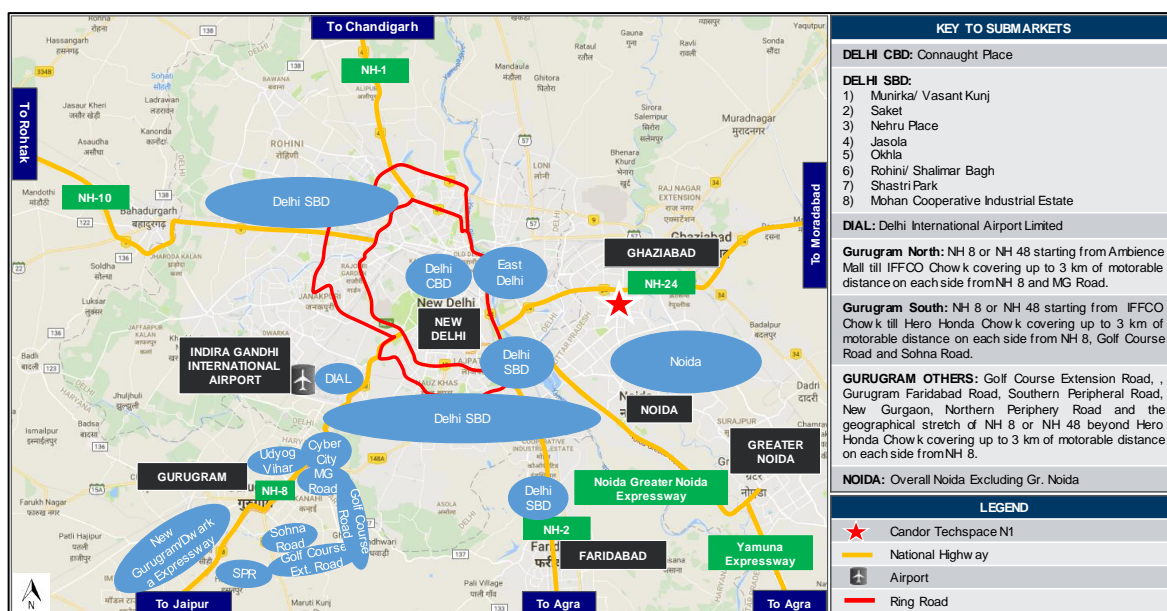
## **B NATIONAL CAPITAL REGION REPORT**

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 National Capital Region Overview**

National Capital Region (NCR) is the world’s second largest urban agglomeration by population and the largest by area (Source: www.un.org). It is an urban agglomeration, which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighbouring states of Haryana, Uttar Pradesh and Rajasthan. In the last decade and half, urbanization in Delhi has spread rapidly towards adjoining towns. 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 & 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*	^Sector 62, Noida
Total Completed Stock till Q1 2021 (million sq. ft.)	76.82	3.29	1.37	53.76	18.41	6.91
Current Occupied Stock till Q1 2021 (million sq. ft.)	60.67	2.31	1.27	42.15	14.95	6.05
Current Vacancy Q1 2021 (%)	21.00%	29.84%	7.05%	21.60%	18.80%	12.40%
Avg. Annual Absorption - 2015 – Q1 2021 (million sq. ft.)	3.57	0.18	0.19	2.21	0.99	0.27
Future Supply – Q2 2021 E – 2023 E (million sq. ft.)	16.07	0	0.65	11.90	3.53	0
Market Rent – Q1 2021 (INR psf / month)	88.09	144.75	224.66	93.68	51.53	47.96
CAGR (2015 - Q1 2021)	2.65%	1.60%	6.35%	2.73%	4.53%	5.55%

Source: Cushman & Wakefield Research

Notes:

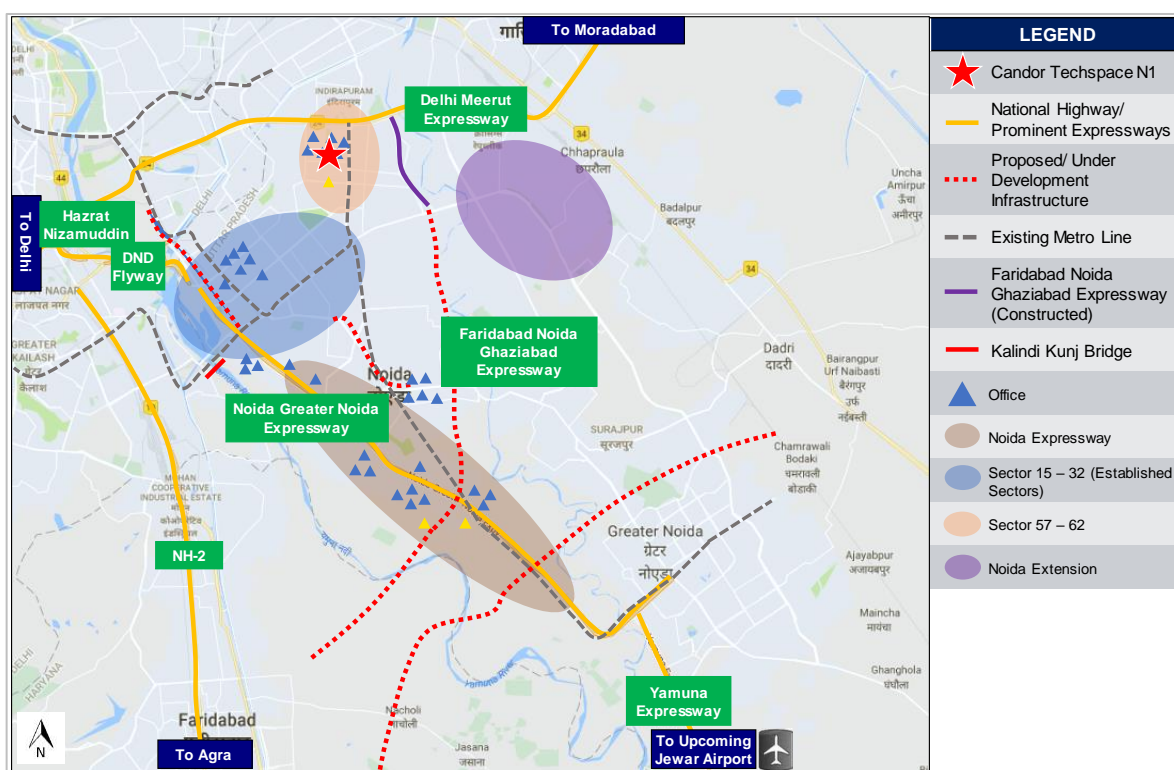
1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield India REIT's city market for Subject Property.
4. ^Brookfield India REIT's 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 less than 1 lakh square feet and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. The rentals 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. 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, 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 the 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 & Wakefield Research  
(Map not to scale)

Primary office clusters in Noida are concentrated towards sector 16, 18, 32 and 57 - 65 and a belt running along Noida Expressway. Office developments in sectors 16, 18, 32 and 57-65 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 and SEZ developments. To name few, established players like Brookfield, Blackstone, The 3C Company, 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 know schools operational on 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 high density sectors. Hence, most of the projects in these micro markets comprises 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 micro markets are 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. 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.

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 it offers residential spaces across various price categories; it attracts talent pool from all adjoining locations.

## 2.2 Key Statistics – Noida

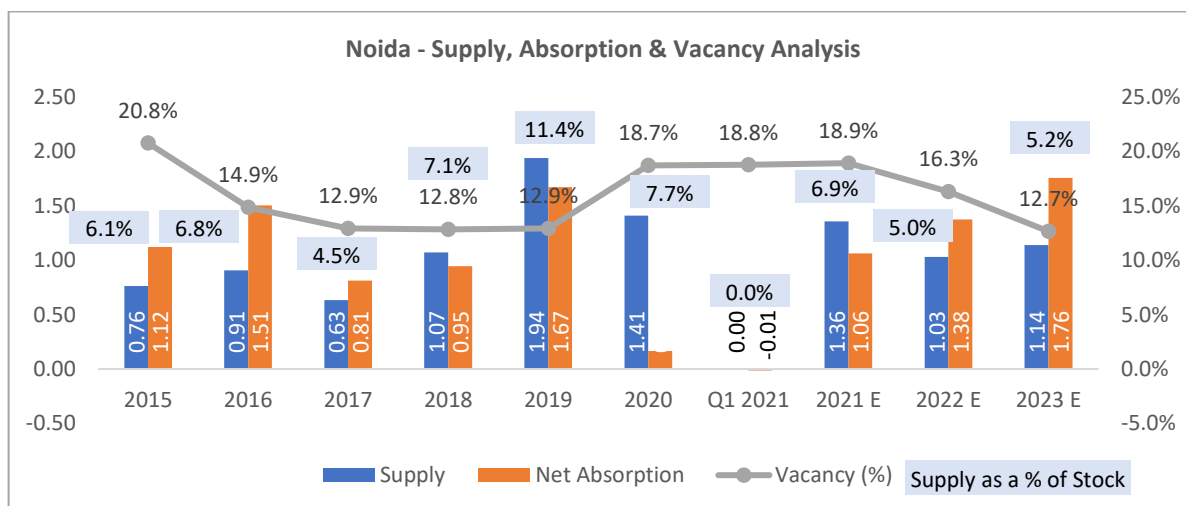
Particulars	Details
<b>Total Completed Stock (Q1 2021)</b>	Approximately 18.41 million sq. ft.
<b>Current Occupied Stock (Q1 2021)</b>	Approximately 14.95 million sq. ft.
<b>Current Vacancy (Q1 2021)</b>	Approximately 18.80%
<b>Avg. Annual Net Absorption (2015 – Q1 2021)</b>	Approximately 0.99 million sq. ft.
<b>Future Supply (Q2 2021 E – 2023 E)</b>	Q2 2021 to Q4 2021: Approximately 1.36 million sq. ft. 2022: Approximately 1.03 million sq. ft. 2023: Approximately 1.14 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. Vacancy and Net Absorption numbers are computed on the relevant stock.
2. Stock (“stock” and / or “relevant stock”) and Supply (“supply” and / or “relevant supply”) numbers are computed by excluding the non-IT buildings, the IT buildings less than 1 lakh square feet and applying certain other criteria .
3. The future supply estimates are based on analysis of proposed and under construction buildings.
4. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in

### 2.3 Supply, Absorption & Vacancy



Source: Cushman & 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. 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.

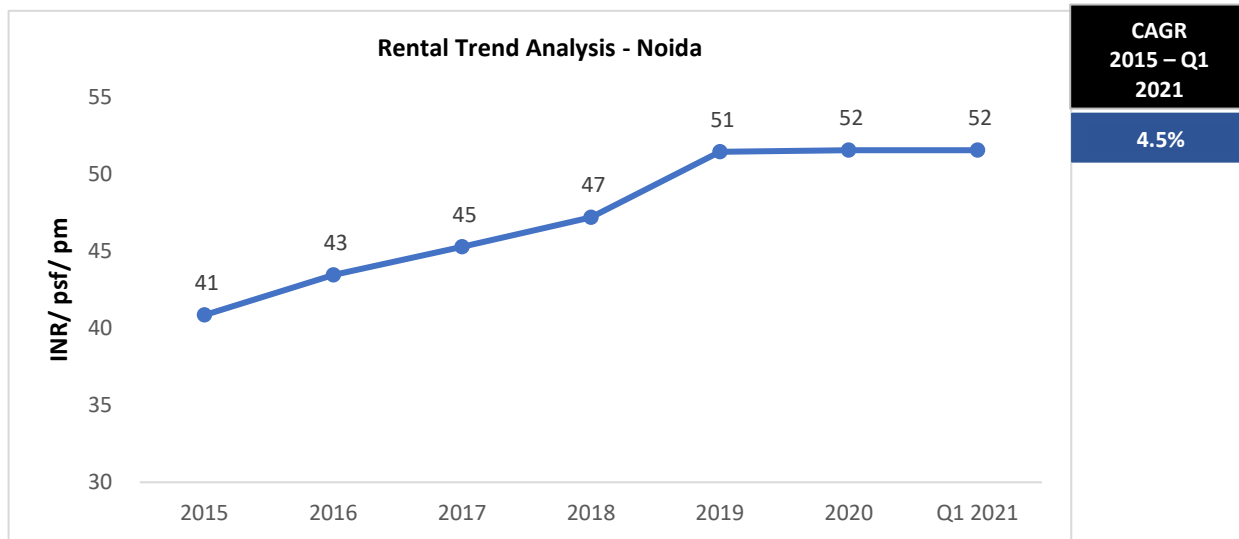
Noida has emerged as a preferred IT / ITes destination over the years due to excellent physical infrastructure, affordable rentals and availability of large office spaces. The growth is backed by availability of large talent pool and residential spaces across all price points. The overall perception of Noida has also evolved as an office destination.

Noida over past 6.25 years has seen an average additional supply of approximately 1.08 million sq. ft. and an annual average net absorption of approximately 0.99 million sq. ft. However, 2019 has been the exceptional period with supply and demand outperforming its historical benchmarks. The increase in supply was matched by commensurate increase in demand and hence demonstrating higher confidence levels for the office market of Noida. 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 in Gurgaon trading at single digit vacancy numbers, the incremental demand from occupiers is likely to get absorbed by Noida.

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 the city to grow exponentially in office segment. The trend is likely to continue with increasing occupier base in Noida and new major infrastructure developments getting developed viz. Jewar Airport in Noida.

Given the outbreak of Covid-19, resulting in short term challenges for the office real estate sector, the vacancy is expected to stand at 18.8% as on Q1 2021. However, with continuous occupier interest and resilience shown by the market in Covid times, it is expected that the vacancy shall reduce to 12.7% by 2023.

**2.4 Rental Trend Analysis**



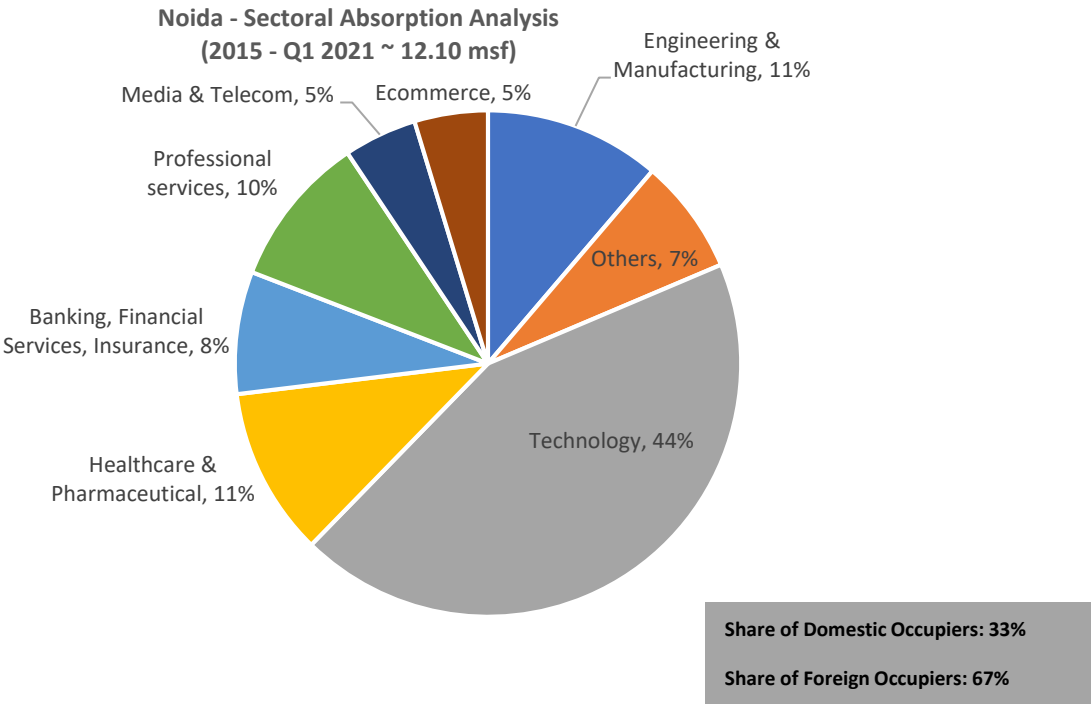
Source: Cushman & Wakefield Research

**Notes:**

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet across NCR and applying certain other criteria. Additionally, for Noida non-IT buildings have been eliminated from stock and supply.
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 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.

Noida has witnessed a rental CAGR of 4.5% from 2015 till Q1 2021, in spite of the near stagnant rents since 2019. Uptick in office demand and expansion of IT/ ITeS occupier base has led to above average rental growth for the city. Established micro markets of Gurugram reaching saturation; benefited Noida owing to quality workspaces available at competitive rentals. The city market also benefits due to availability of superior infrastructure required to travel to a workplace. The trend is likely to continue with new infrastructure initiatives viz. Airport at Jewar creating more demand drivers.

2.5 Sectoral Demand Analysis – Noida (2015 –Q1 2021)



Source: Cushman & Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of 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 almost half of the overall demand viz. contributing 44% to the overall demand. The other prominent industries contributing 32% to the demand are professional services (10%), Healthcare and Pharmaceutical (11%) and Engineering & Manufacturing (11%). Emergence of new requirements viz. start-ups, individual set ups, change in consumer behaviour has led to the increase in demand from industries like flexi workspace, E-commerce etc. in the recent years. The mix of foreign vs. domestic occupants in Noida is 64:36.

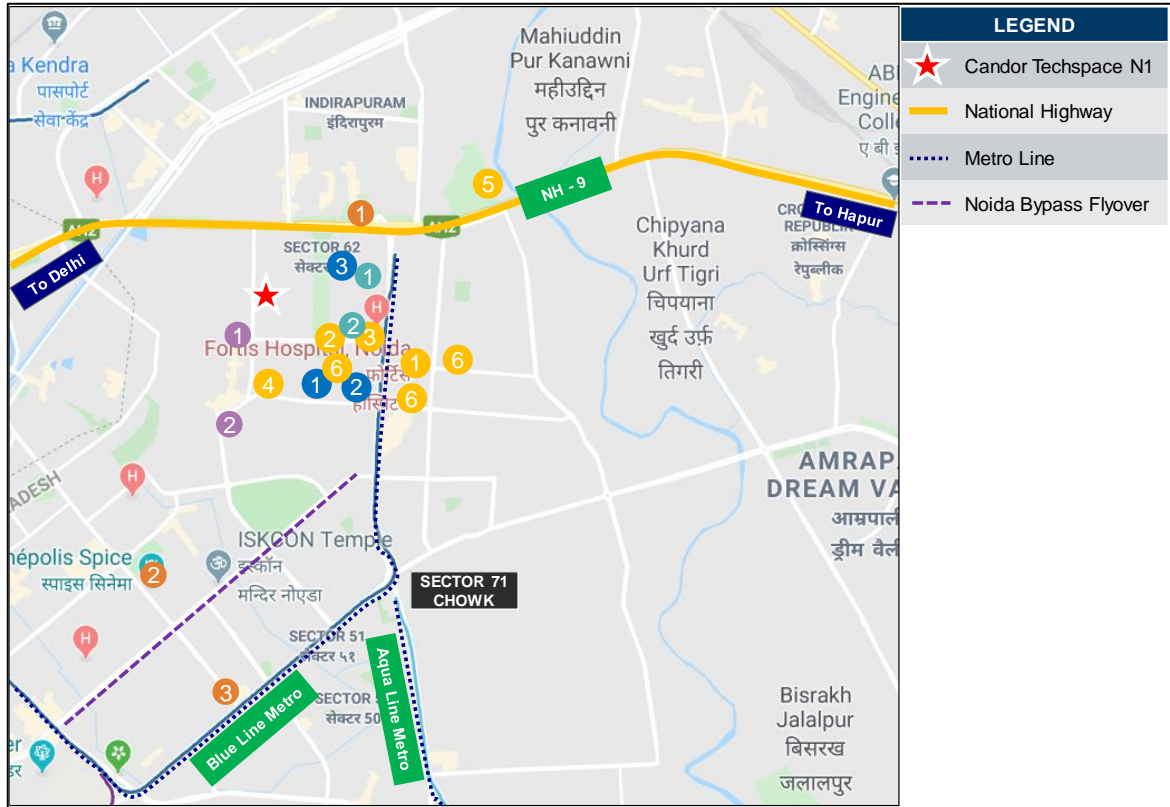
### **3 Sector 62 - Competitive REIT Micro Market**

#### **3.1 Overview**

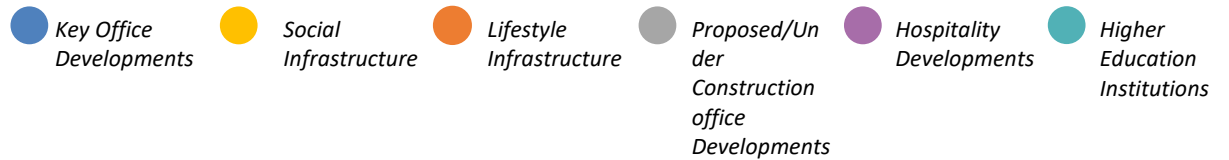
Sector-62 as per Noida master plan 2031 is zoned as institutional sector. This Brookfield India REIT micro market is located in northern part of Noida and abuts NH - 24. The surrounding sectors of the Brookfield India REIT micro markets are 57, 58, 59 and 60 towards south and sector 63 and 64 towards 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 Campus. In terms of office 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 Brookfield India REIT micro market are Candor Techspace N1, 3C Knowledge Boulevard & Green Boulevard, Stellar IT Park, Logix Cyber Park, Embassy Galaxy IT Park, Okaya Blue Silicon etc. N1 is one of the largest IT / ITes development in sector 62 in terms of leasable area. Candor Techspace N1 is one of the largest office park in the Sector 62, Noida in terms of leasable area.

**3.2 Social and Physical Infrastructure**



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



Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Stellar IT Park (1 km)	1. Global Business School (3.2 km)	1. Shipra Mall (3.5 km)	N/A	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. 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)				
	6. Day Cares (1.5 km)				

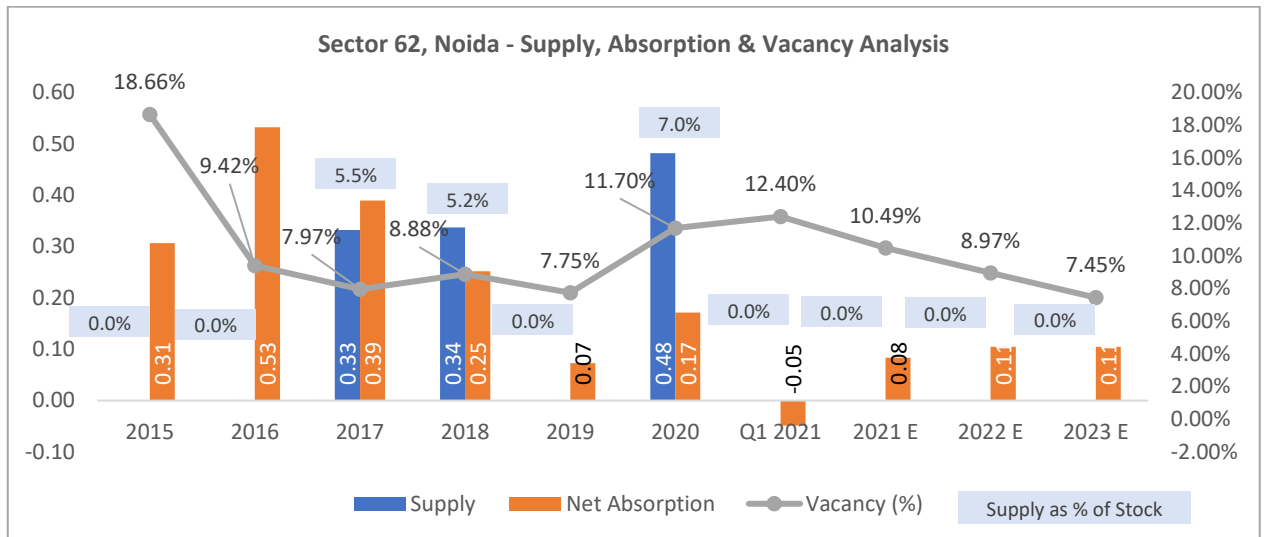
National Highway – 9 (Erstwhile NH – 24) is the primary road connecting Brookfield India REIT micro market to rest of Delhi NCR. Widening of NH 9 (which is under construction) and development of signal free elevated corridor from Nizamuddin in Delhi up till UP Border on NH 9 (currently operational) has significantly enhanced the connectivity of Sector 62 with rest of NCR. The Brookfield India REIT micro market is also connected through blue line of metro rail. The nearest metro station to Subject Property is located in Sector 62 at a distance of approximately 2 km. 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 construction work for Sector 71 underpass is underway It would be a 750 m long underpass and would have 6 lanes. The underpass is expected to bring relief to those travelling from Noida Extension towards Noida City Centre and going further towards Delhi.



**3.3 Supply, Absorption & Vacancy Analysis**

The supply, absorption vacancy trend analysis for sector 62, Noida are as follows:



Source: Cushman & Wakefield Research

Notes:

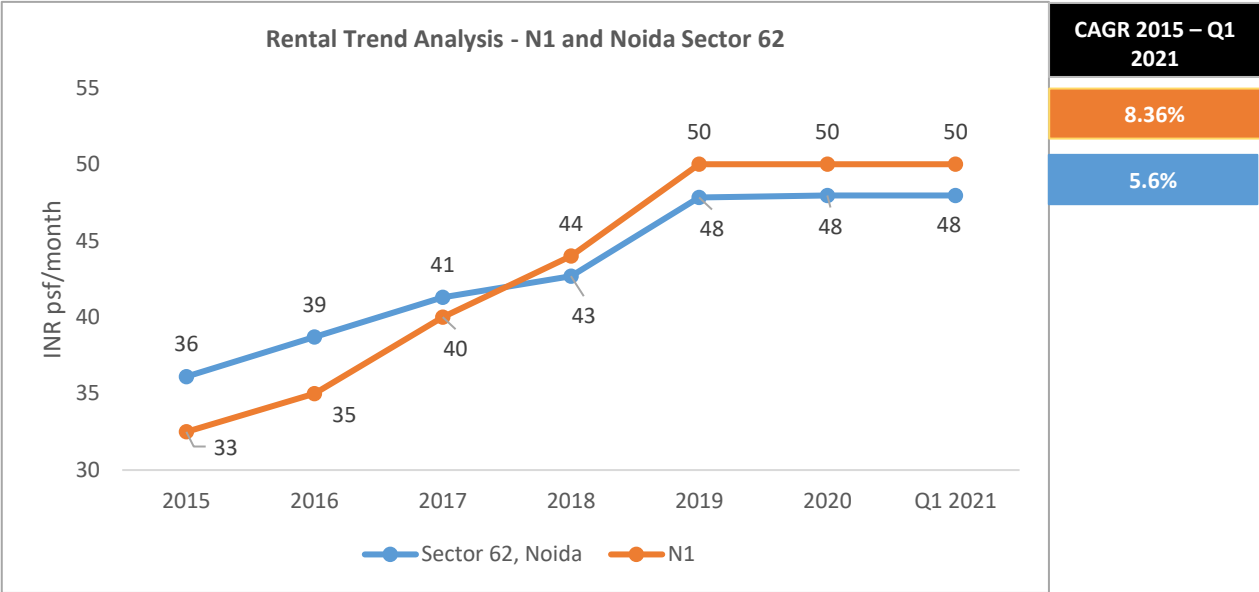
1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet and applying certain other criteria.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis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

Sector 62, Noida has been witnessing limited supply additions with steady demand for past 6.25 years. As the supply in the Brookfield India REIT micro market kept getting constantly absorbed the vacancy levels have seen a declining trend. Healthy demand figures for Sector 62 indicates the strong positioning of this micro market as preferred office destination. 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 parameters. As Noida continues to attract the technology sector, the Brookfield India REIT micro market is expected to have consistent net absorption levels for next 2-3 years.

Further, due to the outbreak of Covid-19, office real estate sector is facing short-term challenges. We expect the Brookfield India REIT micro-market vacancy to increase to 12.4% in Q1 2021, however with continuous demand from occupiers and limited supply, we expect the vacancy to reduce to 7.45% by 2023.

**3.4 Rental Trend Analysis**

The rental trend analysis for Sector 62 and the Subject Property is as follows.



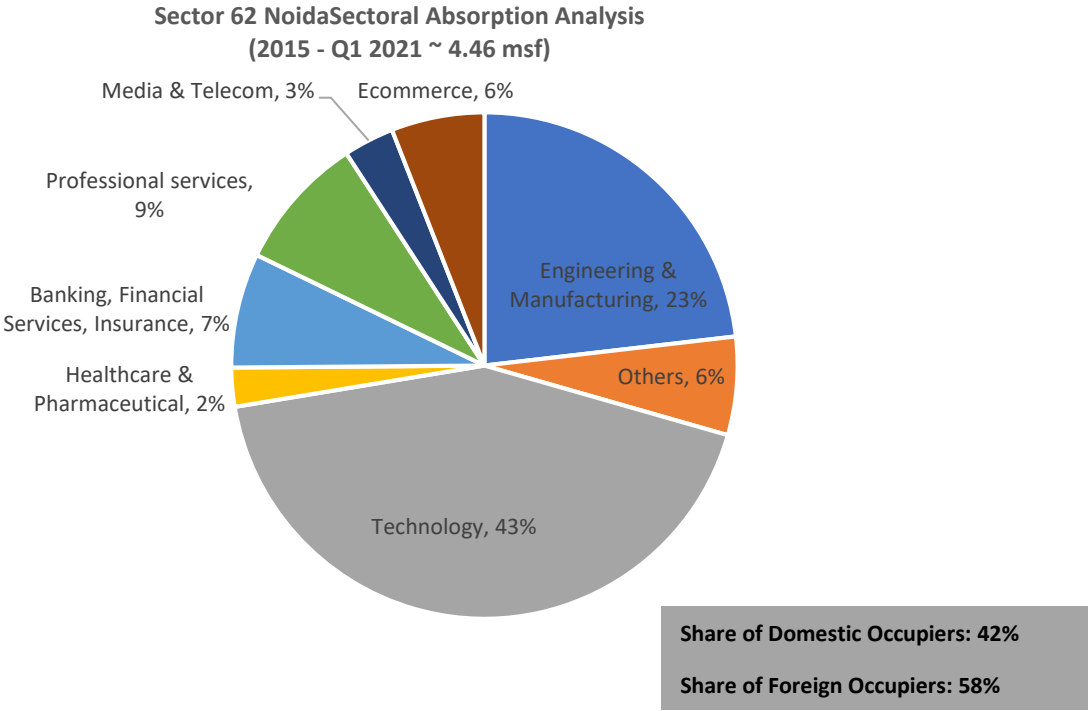
Source: Information from Client and Cushman & Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet, the 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 N1 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.

The graph above represents the rental growth rate of N1 versus entire cluster. The analysis suggests that N1 has witnessed a rental growth of 8.6%, as compared to a growth of 5.6% in the Brookfield India REIT micro market over the same period. The difference in rental growth also illustrates occupiers’ willingness to pay premium for the office developments offering better amenities and upgraded infrastructure addressing the superior standards and evolving requirements of the occupiers. Further, in addition to the existing F&B area, an additional F&B hub is being planned at the Subject Property.

3.5 Sectoral Demand Analysis (2015 – Q1 2021)



Source: Cushman & Wakefield Research

Notes:

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc. The sectoral absorption analysis is based on gross absorption activity of NCR 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 43% to the leasing activity for the years 2015 – Q1 2021. The tenants are attracted to the Brookfield India 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, BFSI, Professional Services and E- Commerce together contributing 45%. The mix of foreign vs. domestic occupants in sector 62, Noida is 58:42.

### 3.6 Market Outlook

According to the market assessment report of Cushman & Wakefield current average market rentals of comparable properties in the Sector 62, Noida are in the range of INR 45-55 per sq. ft./m which is broadly in line with the recent leases signed in the Subject Property. Further over 2015-Q12021, the rentals in Brookfield India REIT micro market grew at a CAGR of 5.6%. Going forward, considering the limited future supply in the Brookfield India REIT micro market and improvements in connectivity through upcoming sector 71 underpass and expansion of Metro Corridor impacting positively on the rentals, annual growth rate of 5-7% in the market rentals appears achievable.

The outbreak of COVID-19, declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, and has continued to impact many aspects of daily life and the global economy. Individual markets have reacted differently to the COVID-19 outbreak, aftermath and further waves. Travel, movement and operational restrictions have been implemented by many countries. In some cases, lockdowns have been applied to varying degrees and to reflect further waves of COVID-19. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

In India as well, the government has adopted similar measures to contain the spread of Covid-19 which has caused business disruption impacting the economic activity. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

As per WHO, there are more than 250 COVID-19 vaccine candidates at different stages of trials. COVID-19 vaccine in India was launched on 16 January 2021. This was initially deployed to essential services workers and senior citizens. The coverage has now been expanded to people aged 18 years and above and with increased coverage in subsequent months, it can reasonably be expected that disruptions caused by the pandemic would subside in the coming year.

The commercial real estate sector has so far shown reasonable resilience to the disruptions caused by Covid-19. With the gained intelligence about the pandemic and rapid progress witnessed in the development and deployment of the vaccine, we expect the corporates to resume their operations from their respective office spaces, as the situation starts to stabilize soon. This is expected to be followed by the demand for commercial office spaces, which have been vacated due to pandemic over the last year, to come back and then the demand for additional commercial office spaces is expected to arise, as the deferred corporate decision-making starts to materialize.

**C      PROPERTY REPORT**

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

<b>Address:</b>	Plot no. B2, Sector 62, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201301, India
<b>Ownership &amp; title details:</b>	Land tenure: Leasehold; and building thereupon are owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT

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 ~76 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 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 Ind-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

N1 is located in Block B, Industrial Area, Sector 62, Noida. Sector-62 as per Noida master plan 2031 is zoned as institutional sector. Sector 62 is located in 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. 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 currently 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 Brookfield India REIT micro market with rest of NCR. Also, the Subject Property enjoys a good connectivity from Sector 18 Noida (the city centre for Noida) through underpass at Sector 18, which joins to a 4.8 km elevated corridor from Sector 28 up till Sector 61.

N1 lies in close proximity to Sector 62 Metro Station, which further enhances its accessibility from different parts of NCR.

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



(Map not to scale)

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 (project recently launched)

**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 07 km from Sector 18, Noida (Noida CBD)

- Approximately 10 km from DND Expressway
- Approximately 16 km from Connaught Place
- 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 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. Delhi NCR where the Subject Property is located falls in Seismic Zone IV with high risk of earthquakes. However, the city faces moderate risk in terms of high winds or cyclones.

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 slightly lower elevation compared to its immediate surroundings, indicating moderate risk of flooding but unlikely to face any major disruptions because of 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 Details

N1 constitutes 9 buildings and can be segregated under three components viz. completed, under-construction and future development buildings. The listing of buildings under each component is as follows: 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)

**Under-construction buildings** – Block 8 (Amenity Block)

**Future development buildings** – Block 4A, 4B & Block 7 (Extension Amenity Block)

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

Particulars	Leasable Area (sq. ft.)	Floor (#)	Floor Plate (sq. ft.)	Status	Expected Completion Date
Block 1	279,805	11	25,437	Completed	NA
Block 2	390,210	13	30,009	Completed	NA
Block 3	332,364	13	25,566	Completed	NA
Block 6	337,679	13	25,975	Completed	NA
Block 7 (Amenity Block)	29,068	-	-	Completed	NA
Block 5	481,161	15	32,077	Completed	NA
Block 8 (Amenity Block)	79,762	-	-	Under Construction	Q2 FY 2021-22
Block 7 (Extension Amenity Block)*	10,064	-	-	Future Development	Q2 FY 2021-22
Block 4A	440,050	15	29,337	Future Development	Q1 FY 2025-26
Block 4B	418,409	15	27,894	Future Development	Q1 FY 2024-25
<b>Total</b>	<b>2,798,572</b>		<b>28,405</b>		

Source: Architect's Certificate, Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information

\*The extension of Block 7 (Amenity Block) with an area of 10,064 sq. ft is future development and has not been counted as an additional tower for the purposes of computing the number of buildings in the future development component. The same has been considered under Block 8 (Amenity Block) for Valuation computation.

### 3.1 Key Asset Information

#### Completed Buildings with Occupancy Certificate (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 - 10 years and 2 months Block 2 - 10 years and 2 months Block 3 - 3 years and 10 months Block 6 - 2 year and 3 months Block 7 (Amenity Block) - 2 year and 9 months Block 5 – 7 month
<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:</b>	1,850,287 sq. ft.
<b>Occupied Area:</b>	1,311,494 sq. ft.
<b>Committed Occupancy (%)*</b>	70.9%
<b>Current Effective Rent (excluding parking)</b>	INR 45 per sq. ft. per month (Office tenants only)
<b>Current Effective Rent (excluding parking)</b>	INR 46 per sq. ft. per month (Office, Retail and Telecom tenants only)
<b>Number of Tenants</b>	19 (office)

Source: Architect's Certificate, Rent Roll as at 31 March 2021, Lease Deeds / Leave and Licence Agreements and Client Information

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

Notes:

1. Refer company structure set out in Annexure 1

**Under-Construction – Block 8 (Amenity Block)**

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 2021-22
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida Sector – 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	79,762 sq. ft.
<b>Status of Construction:</b>	On the date of property inspection, civil works were in progress in the block. The development is planned as Ground + 2 retail floors and is expected to be ready by Q2 FY 2021-22.
<b>Approvals Received and Pending:</b>	List of approvals detailed in Annexure 5

*Source: Architect's Certificate and Client Information*

**Future Development - Block 7 (Extension Amenity Block)**

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 2021-22
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida Sector – 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	10,064 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 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>	Q1 FY 2024-25
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida Sector – 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	418,409 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 and Client Information*

**Future Development – Block 4A**

Particulars	Details
<b>Interest owned by REIT (%):</b>	Subject Property is wholly owned by Shantiniketan Properties Private Limited, which is 100% owned and controlled by the Brookfield India REIT
<b>Expected completion date of construction:</b>	Q1 FY 2025-26
<b>Asset Type:</b>	Approved IT/ITeS
<b>Sub-Market:</b>	Noida Sector – 62
<b>Approved Usage:</b>	IT/ITeS
<b>Leasable Area:</b>	440,050 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 and Client Information*

### 3.2 Property Inspection

The Subject Property comprising six operational buildings along with one under-construction building and two future development area was physically inspected on 18 March 2021. The inspection comprised visual inspection of operational buildings constituting the property, visits to their key utility areas such as LT electric room, pump room, HVAC installations, power back up, STP, under-construction buildings and area provisioned for future development. The common areas and vacant floors within the operational buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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. The five operational buildings in the campus are Block 1, 2, 3, 6, Block 7 (Amenity Block) and Block 5. The under construction buildings is Block 8 (Amenity Block) and the future development buildings are Block 4A & Block 4B, whose design review was in progress at the time of the property inspection and is expected to be completed by Q1-2024, according to the information received from the client.

The operational buildings and parts thereof with OC received collectively admeasure 1,850,188 sq. ft. of leasable area. The four office blocks are occupied by multiple tenants and the Block 7 (Amenity Block) constituting retail area caters to all basic requirement of occupiers viz. F&B (in form of multi-cuisine food court), 24x7 paramedics, Day Care Centre, bank ATM, salon, convenience store, pharmacy etc. At the time of property inspection, upgradation work in Block 7 was in progress.

Under construction Block 8 (Amenity Block) planned as Ground + 2 retail floors shall offer a separate F&B hub and shall be open to public along with inhouse occupiers. On the date of property inspection, civil works were in progress in the block. The development is planned as Ground + 2 retail floors and is expected to be ready by Q2 FY 2021-22.

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 was observed during the inspection. The utility areas also appeared well maintained, visually. Apart from regular upgradation activities, the Subject Property has two entry and two exit points which are managed according to the campus traffic circulation plan. 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.

The large parking requirement is catered by multilevel basements and open area parking slots contributing to 4,195 (including under construction and future developments) parking spaces. 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 are available in basement/ lower ground floors and on terrace of the buildings.

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.

**3.3 Investigation, 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 properties proposed to be part of the REIT.

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

- 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 March 2021) mentioning site areas and property
- 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 reasonable 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 9)
  - 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 March 2021, the Subject Property's top 10 tenants account for ~82.4% of leasable area and ~79.8% of the gross rental income (including office, retail and telecom tenants).

Rank	Top 10 Tenant according to Leasable Area	Leasable Area (sq. ft.)
1	Barclays	399,157
2	Amazon	155,230
3	Landis Gyr	126,109
4	ION Trading	87,655
5	Pine Labs	82,837
6	Markit India	54,260
7	Barco	51,548
8	Innovaccer	50,856
9	TPG Software	45,890
10	Salmon Commerce	27,130
<b>Total</b>		<b>1,080,672</b>

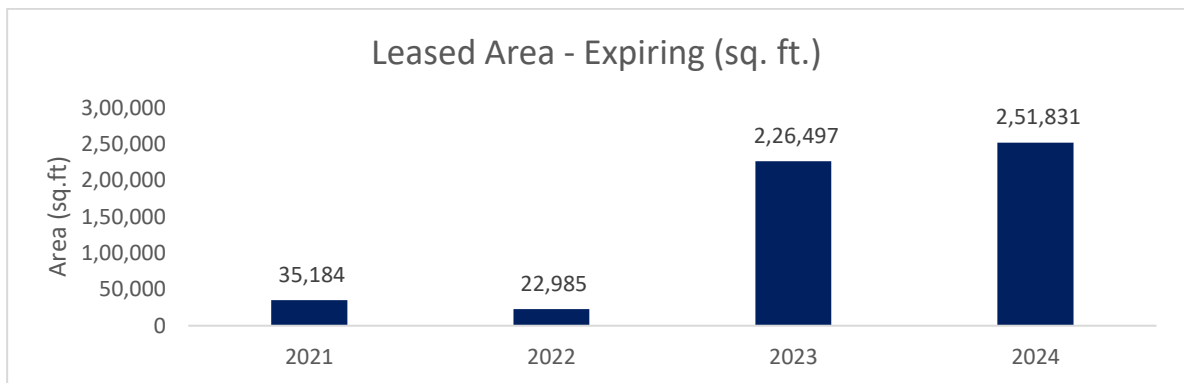
Source: Rent Roll as at 31 March 2021 and Client Information

Rank	Top 10 Tenants according to Gross Rentals	Share of Gross Rentals
1	Barclays	27.9%
2	Amazon	12.0%
3	Landis Gyr	9.1%
4	Pine Labs	5.9%
5	TPG Software	5.9%
6	ION Trading	5.3%
7	Markit India	4.3%
8	Barco	4.3%
9	Innovaccer	3.8%
10	Salmon Commerce	2.3%
<b>Total</b>		<b>79.8%</b>

Source: Rent Roll as at 31 March 2021 and Client Information

**3.5 Lease Expiry Profile**

The Weighted Average Lease Expiry (WALE) of the property is 7.26 years, with ~41% of occupied area expiring between 2021 and 2024 as shown in the chart below (including office, retail and telecom tenants).



Source: Rent Roll as at 31 March 2021 and Client Information

Note:

1. The above year mentioned is on calendar year basis.
2. The time period for 2021 is considered from 1 April till 31 December

**4 Valuation Methodology**

In order to compute the Market Value of the Subject Properties it is prudent to understand the market dynamics and the location where the Subject Property is located (existing and future supply, demand from occupiers, average office space take up by an occupier in a particular sector, existing vacancy numbers and the rentals, likely growth of the office space etc.). Understanding of the micro market positioning (where the Subject Property is located) with respect to a location is also very important. The next step then becomes to understand the situation of the Subject Property (current achievable rentals, vacancy numbers, competing supply in the micro market etc.) with respect to the micro market.

Each of the steps required to assess the Market Value of the Subject Properties is detailed below:

**4.1 Market and Location Assessment:**

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

- i. Market dynamics influencing the rents along with Subject Property rents were studied in detail. Further, the location setting of the Subject Properties in the respective micro-markets were assessed. Analysis of the micro-market was undertaken primarily based on the findings of the industry/market report prepared by CWI and readily available information in public domain to ascertain the transaction activity of office space. The analysis entailed review of comparable properties in terms of potential competition (both completed and under-construction/future developments), comparable recent lease transactions witnessed in the micro-market along with the trends in leasing within the Subject Properties in recent past, wherever available. This analysis enabled the Valuer to have an informed opinion on the market rent (applicable rental for the micro-market where the respective Subject Properties are located) and achievable market rent (Valuer’s view on achievable rent for the respective Subject Properties for leasing vacant spaces, potential leasable area under development or planned as well as upon re-leasing of the existing let out area).

- ii. For tenants occupying relatively large space within the Subject Properties, where there may be some instances of areas being let out at lower than market rent, it is assumed that the leases shall revert to market rent following the expiry of the lease, factoring appropriate re-leasing time.

**4.2 Portfolio Assessment:**

- i. As the first step, the rent rolls (which includes review of corresponding leases deeds) on a reasonable sample basis were reviewed to identify tenancy characteristics for the Subject Properties. As part of the rent roll review, major tenancy agreements were reviewed on a reasonable sample basis.
- ii. For anchor/large tenants, adjustments on achievable market rent or additional lease-up timeframe have been adopted upon lease reversion wherever relevant.
- iii. Title report, Architect’s 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 Properties.
- iv. Physical site inspections were undertaken to assess the current status of the Subject Properties.

**4.3 Preparation of Future Cash Flows:**

- i. Net operating income (NOI) has primarily been used to arrive at the Market Value of the Subject Properties. The cash flows for the operational, under construction and future development area have been projected separately for the purpose of estimating and reporting valuation in accordance with the SEBI (REIT) Regulations
- ii. The projected future cash flows from the property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Properties. For vacant area, under-construction area and future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation wherein 11<sup>th</sup> year NOI is capitalized (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.

Each of the lease was assessed to project the cash flows for a period of 10 years. The assessment was carried out in the following manner:

<b>Step 1</b>	Rental income from existing tenants up to the period of lease expiry, lock-in expiry, escalation milestones, etc. is projected whichever is applicable. In the event of any vacant spaces, achievable market-rent is assumed for future income for such spaces with suitable time for leasing up the space.  This data is then used to generate market aligned revenue stream from existing and potential tenants for the desired time period.
<b>Step 2</b>	In the event the escalated contracted rent is higher than the achievable market rent by 15%, the contracted terms are ignored, and the terms are reverted to market. In the event the escalated contracted rent is below 115% of the achievable market rent, the contracted terms are adopted going forward until the next lease review/ renewal. Intent

	of this step is to project the rental income for respective leases until lease expiry as well as post expiry.
<b>Step 3</b>	Computing the monthly rental income projected as part of Step 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).

- iii. Recurring operational expenses, fit-out income (wherever applicable, however, the same has not been included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provision have been adopted in-line with prevalent market practices and conditions. In addition, appropriate rent-free periods have been adopted during lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For all Subject Properties, operational revenues and expenses of the respective properties 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 and normalised for the purpose of cash flow projections. The 1-year forward income for the 11<sup>th</sup> year has been capitalized to assess the terminal value of the development at the end of year 10.

**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 has 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

The following assumptions have been made to arrive at the market value of the Subject Property as on 31 March 2021:

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

Cashflow Period	Unit	Details
Valuation Date	Date	31-March-21
Cashflow Period	Years	10
Cashflow Exit Period	End Date	31-March-31

### Property Details

Property Details	Unit	Details
Total Property Leasable Area	Sq. ft.	1,850,287
Area Leased	Sq. ft.	1,311,494
Committed Occupancy*	%	70.88%
Vacant Area**	Sq. ft.	538,793
Vacancy	%	29.1%
Stabilized Vacancy	%	2.50%
Further Leasing	Sq. ft.	504,501
Existing Lease Rollovers	%	100%
Rent Free Period- Existing Leases (First Year)	Months	3
Rent Free Period- Existing Leases - Post First Year	Months	1
Rent Free Period- New Leases	Months	4
Total Parking Slots	#	2,635
Estimated Leasing Period	# of quarters	6

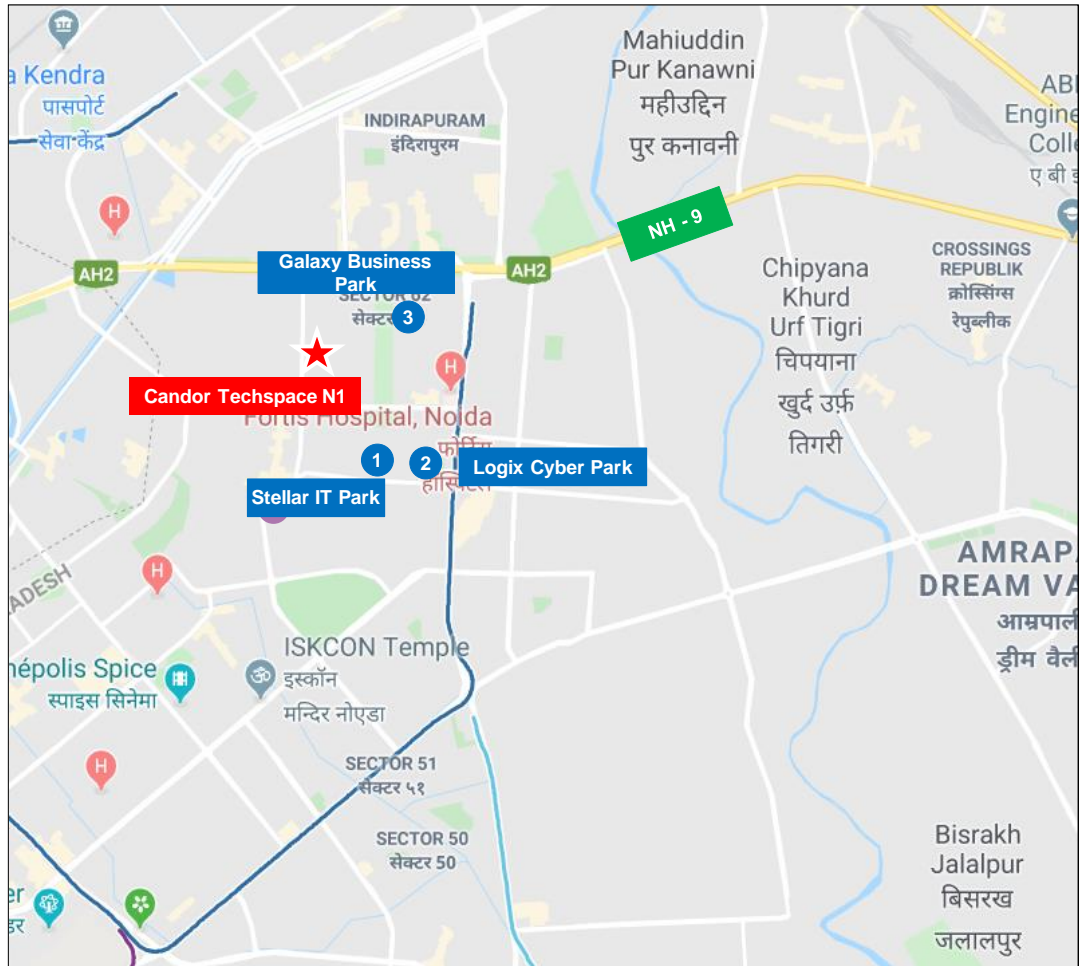
*Note: Further Leasing and Estimated Leasing Period relate to the existing Vacant Area.*

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

*\*\*Vacant Area includes the Hard Option of Barco constituting 16,667 sq. ft. of area since the LOI has not been signed. For our valuation analysis, we have considered this hard option to be exercised.*

- **Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of one month has been considered for existing lease rollovers and four months for new leases. Amidst temporarily suppressed demand due to current market conditions, we expect the tenants being offered an additional 2 months of rent-free period for all the existing lease rollovers happening within the upcoming 12 months (from 1 April 2021) in order to retain and support them.
- **Future absorption:**
  - Over 2015- Q1 2021, the sector 62, Noida micro market has witnessed an average annual net absorption of approximately 0.27 million sq. ft.
  - Going forward, the micro market is expected to have an average annual demand of approximately 0.17 million sq. ft. per annum till 2023.

**Subject Property and Relevant Existing/Upcoming Supply in the Sector 62 Micro Market**



*Note: Blue boxes signify existing supply. Further, currently there is no upcoming supply in the micro-market*

- Considering the above, it would be reasonable to believe that the Subject Property shall be able to lease up ~0.50 million sq. ft. within 6 quarters from April 2021.
- Further leasing of ~0.50 million sq. ft. has been assumed after incorporating a 2.5% stabilised vacancy which is a standard for Grade A office properties in the market.
- We have considered 6 months delay in leasing for the vacant spaces and fresh spaces that may come up because of expiry of lease period in 2021, due to temporarily suppressed demand.

**Revenue Assumptions**

Revenue Assumptions	Unit	Details
Achievable Market Rent– Office (Base)	Per sq. ft. per month	INR 48.00
Achievable Market Rent– Retail (Base)	Per sq. ft. per month	INR 98.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 50.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 100.00
Other Income	Per sq. ft. per month	INR 0.5
Rental Growth Rate – (for FY'23)	% p.a.	5.0%
Rental Growth Rate (for FY'24 - FY'27)	% p.a.	7.0%
Rental Growth Rate (from FY'28 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% 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 10.25

\*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.

- **Achievable 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 year 2020-2021, approximately 0.09 million sq. ft. was leased in the rental range of INR 50-58 per sq. ft. per month (including parking).

**Lease Transactions 2020-21**

Tenants	Year	Area (sq. ft)	Rent (INR per sq. ft)
Vinculum	2020	14,937	51
Hays	2020	25,480	51
Acidaes	2020	14,631	50
Salmon Commerce	2020	27,130	51
Barclays	2021	15,000	58

Source: Rent Roll as at 31 March 2021 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 50 per sq. ft. per month (including parking charges).
- **Rental 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 5-7% in the medium to long term.
- However, due to current market condition we have not assumed any rental escalation for next 12 months. Post this we have considered an annual rental growth of 5.0% until FY'24. This is expected to be followed by an accelerated annual rental growth rate of 7.0% during FY'24 to FY'27, as the markets gain

momentum coming out of the Covid related slowdown, before the micro-market re-aligns to its long term growth trajectory of 5.0%.

- **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'22 range from INR 9.50 – 10.50 per sq. ft. per month. Further, the total CIOP expense for FY'22 for N1 is considered to be INR 29.64 Million. The CIOP expense is a property management fee fixed at INR 204.75 million for FY'20 (the said amount has been divided between the properties of Brookfield India REIT portfolio (excluding Kensington) on pro rata basis computed on leasable area) as per the agreement shared with us and has been escalated at 5% annually for subsequent years. Thus, the CIOP expense for FY'22 is INR 225.74 Million. Tenants are charged INR 3.02 – 7.07 per sq. ft. per month, based on their tenancy type on account of CIOP expense plus Mark-up.
- **Efficiency:** As per our market study, we understand that the efficiency of Subject Property is in line with the efficiency of other IT/ITeS developments. Hence, we have not made any adjustments regarding the same for our valuation analysis.

#### 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 6.16
Land Lease Payment Rent	Per sq. ft./month	0.33
Cost Escalation	% p.a.	5.0%
Transaction Cost on Sale	% of Terminal Value	1.0%
Maintenance Capex as % of Revenue (Base Rent + Parking)	%	2

*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.
- **Lease rent payment:** The Subject Property being the leasehold property involves lease rent payments of 11.02 million per annum (as per the lease deed). It will be escalated by 50% in FY' 26.
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



### Discount Rate & Capitalisation Rate Assumptions

- **Capitalization Rate:**

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. 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
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	8.0%
Tishman Speyer - GIC	Shapoorji Pallonji - Allianz	Gachibowli, Hyderabad	Hyderabad	Waverock	Commercial	2019	23,00,000	18,000	~8%
Radius Developers	Blackstone	Bandra,BKC	Mumbai	One BKC	Commercial	2019	7,00,000	25,000	8%-8.25%
Essar Group	Brookfield Asset Management	Off BKC, Mumbai	Mumbai	Equinox Business Park	Commercial	2018	12,50,000	24,500	~8.5%
Indiabulls Real Estate	Blackstone	Ambattur, Chennai	Chennai	One Indiabulls	Commercial	2018	18,80,000	9,000	8.33%
JV of Shapoorji and CPPIB	Mapletree	Perungudi, Chennai	Chennai	SP Infocity	Commercial	2018	27,00,000	24,000	7.75%-8%

Source: Secondary Market Research

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

- **Discount Rate**

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

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

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

**Under-Construction/ Future Development**

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

**Property Details**

Property Details	Unit	Block 4A	Block 4B	Block 8 (Amenity Block)
Total Property Leasable Area	Sq. ft.	440,050	418,409	89,826*
Stabilized Vacancy	%	2.5%	2.5%	2.5%
Existing Lease Rollovers	%	100%	100%	100%
Rent Free Period – Existing Leases Rollover	Months	1	1	1
Rent Free Period – New Leases	Months	4	4	4
Total Parking Slots	#	423	402	736**
Estimated Leasing Period	# of quarters	6	4	11

\*The extension of Block 7 (Amenity Block) with an area of 10,064 sq. ft is future development and has not been counted as an additional tower. The same has been considered under Block 8 (Amenity Block)

\*\*736 includes 726 slots for Block 8 and 10 slots for extension in Block 7.

**Construction Related Assumptions**

Construction Related Assumptions	Units	Block 4A	Block 4B	Block 8 (Amenity Block)
Start Date of Construction		Oct-22	Oct-21	Jan-18
End Date of Construction		Jun-25	Jun-24	Sep-21
Total Construction Cost <sup>3</sup>	INR Million	2,296	2,002	562
Construction Cost Incurred till date	INR Million	30	0	310
Construction Cost to be Incurred	INR Million	2,266	2,002	252

**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 48.00
Achievable Market Rent– Retail (Base)	Per sq. ft. per month	INR 98.00
Achievable Market Rent – Office (including Parking)	Per sq. ft. per month	INR 50.00
Achievable Market Rent – Retail (including Parking)	Per sq. ft. per month	INR 100.00
Other Income	Per sq. ft. per month	INR 0.50
Rental Growth Rate – (for FY'23)	% p.a.	5.0%
Rental Growth Rate (for FY'24 - FY'27)	% p.a.	7.0%
Rental Growth Rate (for FY'28 onwards)	% p.a.	5.0%
O&M Markup Growth Rate (including Sinking Fund)	% 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 10.25

**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 over the discount rate for completed properties to arrive at a discount rate of 13.00% for under-construction / future development properties.

## 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 complete ownership interest in the 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 2021	INR 16,902 Million	Indian Rupees Sixteen Billion Nine Hundred and Two Million Only
Under Construction/ Future Developments	31 March 2021	INR 3,219 Million	Indian Rupees Three Billion Two Hundred and Nineteen Million Only

### Ready Reckoner Rate

Component	Rate
Carpet Area	INR 173,250 per sq. meter
Land Area	INR 65,000 per sq. meter

*\*For reference, please refer Annexure 8*

I, Shubhendu Saha, the Valuer for the Subject Property, hereby declare that:

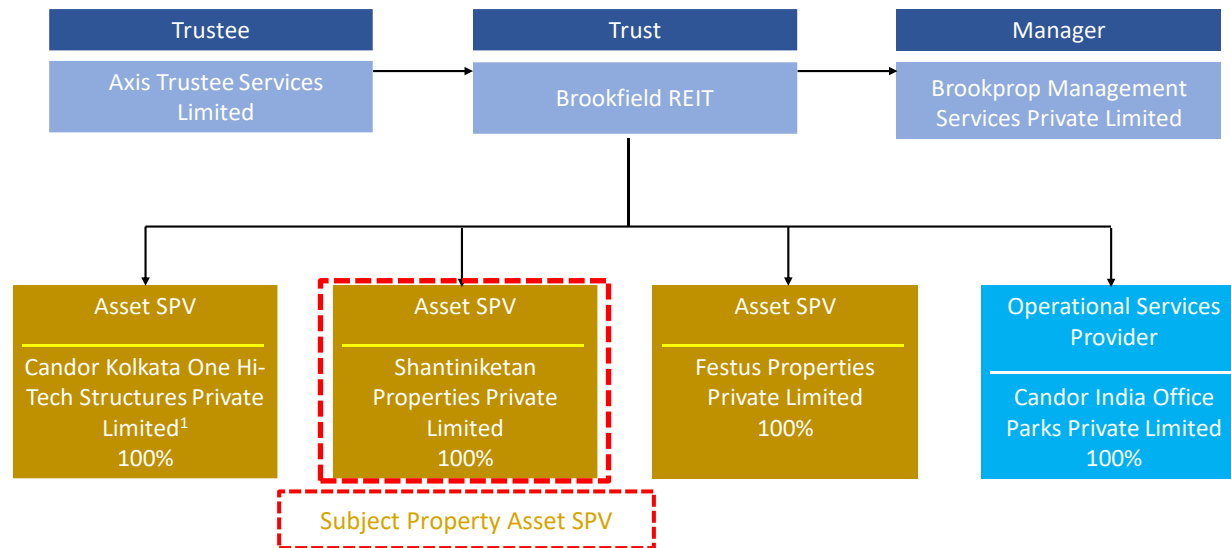
- I am fully competent to undertake the valuation,
- I am independent and have prepared the report on a fair and unbiased basis, and
- I have valued the properties based on the valuation standards as specified under sub-regulation 10 of regulation 21 of Securities and Exchange Board of India (Real Estate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

Prepared by



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

**Annexure 1: Ownership Structure of Subject Property**

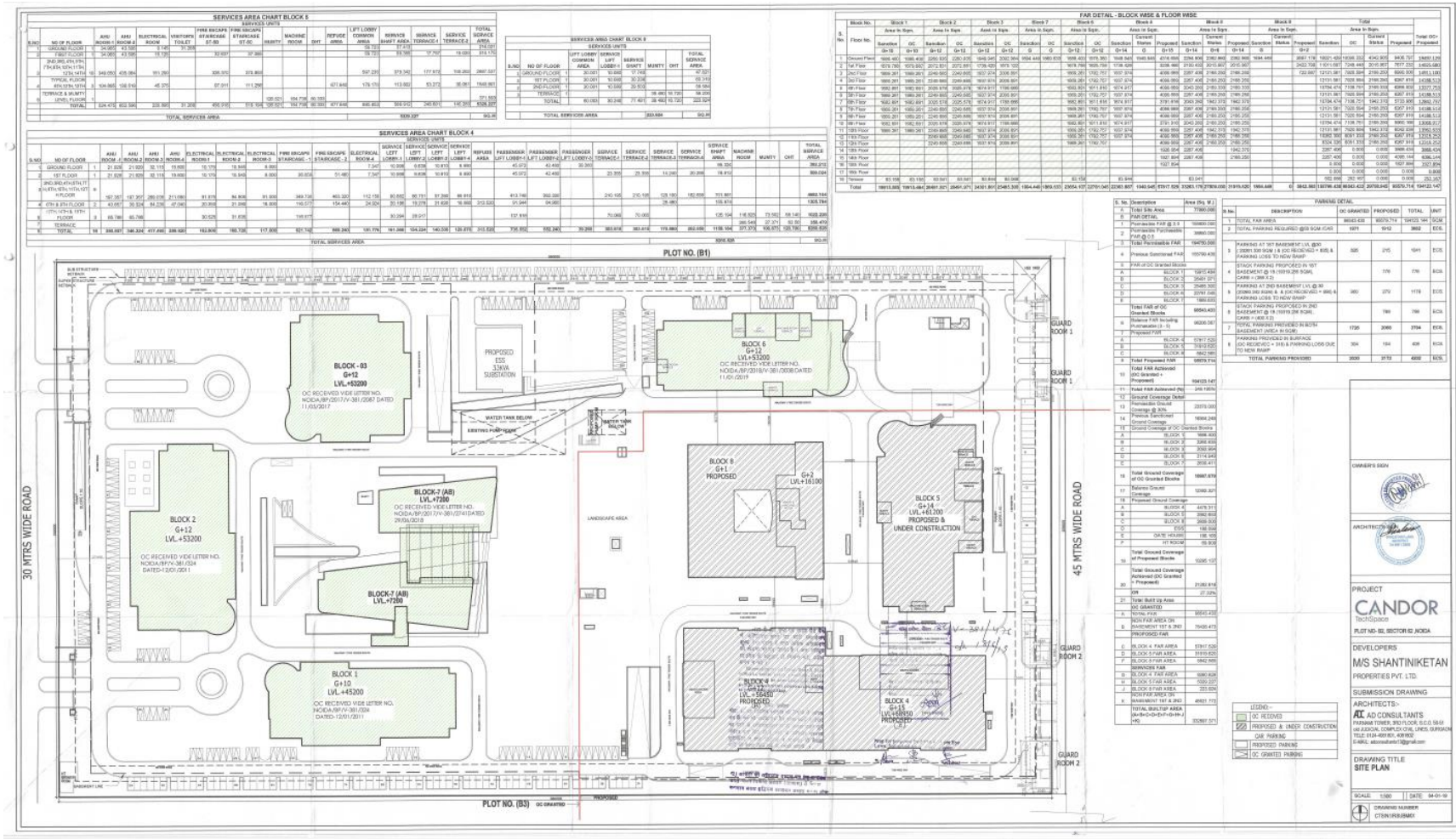


**Note:**

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 4 May 2020 with the approval of the BoA dated 5 March 2020 and ROC, Mumbai dated 4 May 2020

Annexure 2: Property Layout Plan

Completed and Future Development Buildings





**Annexure 3: Property Photographs**



External View of Block 5



Internal View of Block 5



External View of Block 3

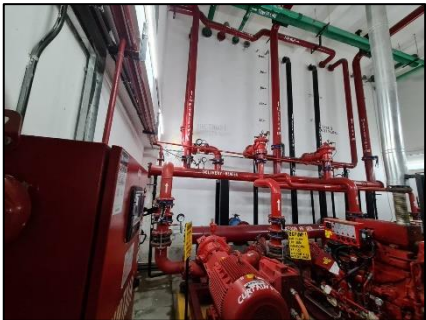


View of DG Room

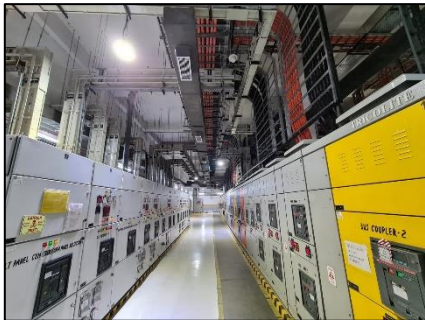


External View of Block 7

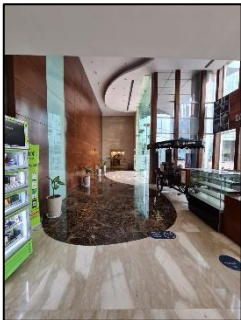




Internal View of Pump Room Block 6



Internal View of LT Panel Room



View of Lobby Tower 2



View of Amenity Block (Block 8)



External view of Subject Property

**Annexure 4: Statement of Assets**

Building	No/Name	Phase -1 (Tower -1,2,3)				Phase -2 (Tower -6)			
No of DG Capacity	KVA	5 X 1500 KVA				4 x 1500 KVA			
No of Transformer/Capacity	KVA	4 X 2000 KVA & 3 X 8000 KVA				4 X 2000 KVA			
Chiller Rating	Tr	4 X 750 TR & 1 X 400 TR				2 X 850TR			
Cooling Tower	Tr	HVAC: 850TR X 4		DG: 150TR X 4		HVAC: 1000TR X 2		DG: 150TR X 4	
FF System (Pumps & Engine)	KW/HP	Jockey: 2 X 10.5 HP X 125 HP Curtain Pump: 1 X 40 HP		Engine: 1 X 127 HP		Sprinkler: 1 Hydrant: 1 X 127 HP Fire		Curtain Pump: 1 X 75 HP Fire Engine: 1 X 122 HP, 1 X 72 HP	
Water Pumping System (Domestic & Flushing)	KW/HP	Domestic Pumps: 6 X 7.8 KW		Flushing Pump: 2 X 30 KW		Domestic Pumps: 1 X 5.5 KW, 1 X 7.8 KW Flushing Pump: 2 X 15 KW			
STP Rating	KLD	700 KLD							
Warm Shell/ Bare Shell		Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell	Bare Shell

**Annexure 5: 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) Consent to Establish (CTE)
- d) Environment Clearance Certificate
- e) One-time Fire NOC
- f) Height clearance NOC from AAI
- g) Consent to Operate (CTO)
- h) Extension of EC permission
- i) NOC for ground water abstraction

**Approvals Pending**

- a) Environmental Clearance for Future Development Building

**Annexure 6: Cash Flows – Completed Buildings (Block 1, 2, 3, 5,6, 7 (Amenity Block))**

Years		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	639.1	827.2	1,062.1	1,195.2	1,287.3	1,337.7	1,408.7	1,482.6	1,551.1	1,611.7
O&M Markup	INR Million	152.0	241.4	259.4	287.1	299.5	312.5	326.1	340.3	355.0	370.5
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	18.1	19.0	19.9	20.9	22.0	23.1	24.2	25.4	26.7	28.0
<b>Total Income</b>	<b>INR Million</b>	<b>809.3</b>	<b>1,087.6</b>	<b>1,341.4</b>	<b>1,503.2</b>	<b>1,608.8</b>	<b>1,673.3</b>	<b>1,759.0</b>	<b>1,848.2</b>	<b>1,932.8</b>	<b>2,010.2</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>809.3</b>	<b>1,087.6</b>	<b>1,341.4</b>	<b>1,503.2</b>	<b>1,608.8</b>	<b>1,673.3</b>	<b>1,759.0</b>	<b>1,848.2</b>	<b>1,932.8</b>	<b>2,010.2</b>
<b>OPERATING COSTS</b>											
CAM Costs For Vacant Areas	INR Million	(34.2)	(10.3)	-	-	-	-	-	-	-	-
Lease Rent Payments	INR Million	(7.5)	(7.6)	(7.6)	(7.6)	(9.4)	(11.3)	(11.3)	(11.3)	(11.3)	(11.4)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(41.8)</b>	<b>(17.8)</b>	<b>(7.6)</b>	<b>(7.6)</b>	<b>(9.4)</b>	<b>(11.3)</b>	<b>(11.3)</b>	<b>(11.3)</b>	<b>(11.3)</b>	<b>(11.4)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>767.5</b>	<b>1,069.8</b>	<b>1,333.9</b>	<b>1,495.6</b>	<b>1,599.4</b>	<b>1,662.1</b>	<b>1,747.7</b>	<b>1,836.9</b>	<b>1,921.5</b>	<b>1,998.8</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	26,925.0
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(269.2)
Fit Out Income	INR Million	5.5	5.5	1.6	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>773.0</b>	<b>1,075.3</b>	<b>1,335.4</b>	<b>1,495.6</b>	<b>1,599.4</b>	<b>1,662.1</b>	<b>1,747.7</b>	<b>1,836.9</b>	<b>1,921.5</b>	<b>28,654.6</b>
Maintenance Capex	INR Million	(12.8)	(16.5)	(21.2)	(23.9)	(25.7)	(26.8)	(28.2)	(29.7)	(31.0)	(32.2)
Brokerage Expenses	INR Million	(19.1)	(37.7)	(13.2)	(14.7)	(2.9)	(6.7)	(1.6)	(7.3)	(1.2)	(17.8)
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(156.3)</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>584.8</b>	<b>1,021.0</b>	<b>1,301.0</b>	<b>1,457.0</b>	<b>1,570.7</b>	<b>1,628.6</b>	<b>1,717.9</b>	<b>1,800.0</b>	<b>1,889.3</b>	<b>28,604.5</b>

**Under-Construction- Block 8 (Amenity Block)**

Years		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	-	10.7	44.8	82.0	103.1	108.4	113.8	118.6	124.7	130.8
O&M Markup	INR Million	-	3.2	8.8	14.4	16.1	16.9	17.6	18.4	19.2	20.0
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	<b>-</b>	<b>13.9</b>	<b>53.5</b>	<b>96.4</b>	<b>119.2</b>	<b>125.3</b>	<b>131.4</b>	<b>136.9</b>	<b>143.9</b>	<b>150.9</b>
<b>Total Income from occupancy</b>	<b>INR Million</b>	<b>-</b>	<b>13.9</b>	<b>53.5</b>	<b>96.4</b>	<b>119.2</b>	<b>125.3</b>	<b>131.4</b>	<b>136.9</b>	<b>143.9</b>	<b>150.9</b>
<b>OPERATING COSTS</b>											
CAM Costs For Vacant Areas	INR Million	(3.4)	(5.5)	(3.1)	(0.5)	-	-	-	-	-	-
Lease Rent Payments	INR Million	(0.6)	(0.6)	(0.6)	(0.7)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(1.0)
<b>Total Operating Costs</b>	<b>INR Million</b>	<b>(4.0)</b>	<b>(6.1)</b>	<b>(3.7)</b>	<b>(1.2)</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>(1.0)</b>
<b>Net operating Income</b>	<b>INR Million</b>	<b>(4.0)</b>	<b>7.7</b>	<b>49.8</b>	<b>95.2</b>	<b>118.4</b>	<b>124.4</b>	<b>130.5</b>	<b>136.0</b>	<b>143.0</b>	<b>149.9</b>
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	1,994.1
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(19.9)
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	<b>(4.0)</b>	<b>7.7</b>	<b>49.8</b>	<b>95.2</b>	<b>118.4</b>	<b>124.4</b>	<b>130.5</b>	<b>136.0</b>	<b>143.0</b>	<b>2,124.1</b>
Maintenance Capex	INR Million	-	(0.2)	(0.9)	(1.6)	(2.1)	(2.2)	(2.3)	(2.4)	(2.5)	(2.6)
Brokerage Expenses	INR Million	-	(5.7)	(6.1)	(4.9)	-	-	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	<b>(252.3)</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>(256.3)</b>	<b>1.9</b>	<b>42.8</b>	<b>88.7</b>	<b>116.3</b>	<b>122.2</b>	<b>128.2</b>	<b>133.6</b>	<b>140.5</b>	<b>2,121.5</b>

Note: The extension of Block 7 (Amenity Block) with an area of 10,064 sq. ft has been considered under Block 8 (Amenity Block) for Valuation computation.

**Future Development- Block 4A**

Years		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b>OPERATING INCOME</b>											
Lease Rentals (including Parking income)	INR Million	-	-	-	-	32.2	232.3	349.9	364.3	396.5	404.6
O&M Markup	INR Million	-	-	-	-	19.8	71.2	84.8	88.6	92.5	96.6
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	-	52.0	303.4	434.7	452.8	488.9	501.2
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	-	52.0	303.4	434.7	452.8	488.9	501.2
<b>OPERATING COSTS</b>											
CAM Costs For Vacant Areas	INR Million	-	-	-	-	(21.9)	(5.7)	-	-	-	-
Lease Rent Payments	INR Million	(1.7)	(1.7)	(1.7)	(1.7)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)
<b>Total Operating Costs</b>	<b>INR Million</b>	(1.7)	(1.7)	(1.7)	(1.7)	(24.5)	(8.3)	(2.6)	(2.6)	(2.6)	(2.6)
<b>Net operating Income</b>	<b>INR Million</b>	(1.7)	(1.7)	(1.7)	(1.7)	27.5	295.1	432.1	450.2	486.3	498.6
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	6,464.3
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(64.6)
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	(1.7)	(1.7)	(1.7)	(1.7)	27.5	295.1	432.1	450.2	486.3	6,898.2
Maintainance Capex	INR Million	-	-	-	-	(0.6)	(4.6)	(7.0)	(7.3)	(7.9)	(8.1)
Brokerage Expenses	INR Million	-	-	-	-	(27.6)	(31.0)	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	-	(412.0)	(824.0)	(824.0)	(206.0)	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(1.7)	(413.7)	(825.7)	(825.7)	(206.8)	259.5	425.1	442.9	478.4	6,890.1

**Future Development- Block 4B**

Years		1	2	3	4	5	6	7	8	9	10
Particulars	Unit	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31
<b><u>OPERATING INCOME</u></b>											
Lease Rentals (including Parking income)	INR Million	-	-	-	42.9	268.2	326.4	343.0	372.9	375.4	394.4
O&M & CIOP Markup	INR Million	-	-	-	27.0	69.8	74.2	77.5	80.9	84.5	88.3
Other Income (Telecom, Promotional, Visitor Parking & Misc. Activities)	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>INR Million</b>	-	-	-	69.9	338.0	400.6	420.5	453.8	459.9	482.7
<b>Total Income from occupancy</b>	<b>INR Million</b>	-	-	-	69.9	338.0	400.6	420.5	453.8	459.9	482.7
<b><u>OPERATING COSTS</u></b>											
CAM Costs For Vacant Areas	INR Million	-	-	-	(15.3)	(1.2)	-	-	-	-	-
Lease Rent Payments	INR Million	(1.6)	(1.6)	(1.6)	(1.6)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
<b>Total Operating Costs</b>	<b>INR Million</b>	(1.6)	(1.6)	(1.6)	(16.9)	(3.7)	(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)	53.0	334.4	398.1	418.0	451.4	457.4	480.2
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	6,482.3
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(64.8)
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>INR Million</b>	(1.6)	(1.6)	(1.6)	53.0	334.4	398.1	418.0	451.4	457.4	6,897.7
Maintenance Capex	INR Million	-	-	-	(0.86)	(5.36)	(6.53)	(6.86)	(7.46)	(7.51)	(7.9)
Brokerage Expenses	INR Million	-	-	-	(36.8)	(17.6)	-	-	-	-	-
<b>Total Construction Costs</b>	<b>INR Million</b>	(364.0)	(728.0)	(728.0)	(182.0)	-	-	-	-	-	-
<b>Net Cashflows</b>	<b>INR Million</b>	(365.6)	(729.6)	(729.6)	(166.6)	311.4	391.6	411.1	443.9	449.9	6,889.8

**Annexure 8: Ready Reckoner Rate and Land Rate**

**Ready Reckoner Rate**

प्लॉट-1 में आयोजना किया गया वी-कोड	सैक्टर का क्रमांक	समस्त श्रेणी की अक्षयक भूमि जिनका भू प्रयोजन प्राधिकरण द्वारा सुनिश्चित है की दरें प्रति वर्गमीटर रूपरे में									प्लॉट से पिन (ज्यादा दूर-दूरी वाणिज्यिक समष्टि की निर्धारित दर कार्रवाई द्वारा जो शामिल है)					
		A			B			C			प्राधिकरण से आवंटित वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्यालय व गोदाम की दर कार्रवाई द्वारा जो शामिल है			प्राधिकरण से आवंटित वीर वाणिज्यिक भूखण्ड में निर्मित दुकान, कार्यालय व गोदाम की दर कार्रवाई द्वारा जो शामिल है		
		भूखण्ड आवासीय प्रयोजन			भूखण्ड वाणिज्यिक प्रयोजन			भूखण्ड औद्योगिक प्रयोजन								
		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 के लिए	4000 वर्ग मी० से अधिक 20000 वर्ग मी० तक	20000 वर्ग मी० से अधिक 60000 वर्ग मी० तक	दुकान	कार्यालय	गोदाम व अन्य	दुकान	कार्यालय	गोदाम व अन्य
0058	53	75800	79200	82900	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	46200	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	166000	20000	19000	17000	296300	231100	225100	210000	204750	198500
0069	63 A	46200	48400	50600	240000	196000	148000	20000	19000	17000	222000	171800	165900	157500	152250	147000
0070	64	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0071	65	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000
0072	66	42000	44000	46000	287000	240000	159000	-	-	-	281200	219200	213300	199500	194250	189000
0073	67	46200	48400	50600	287000	240000	159000	20000	19000	17000	251200	195500	189600	178500	173250	168000

सहायक महानिरीक्षक निबंधन (प्रथम)  
गौतमबुद्धनगर।

अपर जिलाधिकारी (वित्त एवं राजस्व)  
गौतमबुद्धनगर।

जिलाधिकारी  
गौतमबुद्धनगर।



**Land Rate**

सो.क्र.अनुसार ने आवंटित किन्हा ग्या सी-कोड	प्लॉट का क्रमांक	वार्ड का नाम, एम निबंधन, कार्यालयी के शेनाधिकार प्रथम, द्वितीय व तृतीय के अनुसार	प्लॉट का बालतीय प्रोजेन, 12 मीटर तक चौड़ी राडक पर (अधिक बेल्ड)	वाणिज्यिक प्रोजेन, 10000 वर्ग मीटर से अधिक के नूखणक के लिए	औद्योगिक प्रोजेन 50000 वर्ग मीटर से अधिक के नूखणक के लिए	ग्रुप हायरिंग मूडेशन हेतु निर्धारित दर	इतिहास द्वारा संशयता प्रमाणित वेंग आवंटित नूखणक की दर संरक्षण के तंत्र के प्रोजेन के अन्तर्गत पर		रखरार/रिजोरम रेंसर/पेइए आकिर/सिथुन सब रदेभार, गेएडा वृढा काबेधता कुनि मुनि पर करने इरदस	अर्दयस्कार/किसे रके / समी एव फल किरन केज
							सभत वेकठले से अन्तर्गत अन्तर्गत वेकठले/इगनडेवर/ करने विलन अरिवा तीकिरी रुकिरी/अर्दयस्कार/ रकेवेरदयस्कार/अर्दयस्कार पार्क हेतु नूखणक	सर्जितव उपथेग का नूखणक		
0057	52	तृतीय	103500	159000	-	-	-	155000	-	-
0058	53	प्रथम	72000	143000	-	-	-	107500	-	-
0059	54	द्वितीय	44000	143000	-	-	-	107500	-	-
0060	55	तृतीय	72000	143000	-	-	-	107500	-	-
0061	56	प्रथम	72000	143000	-	-	-	107500	-	-
0062	57	द्वितीय	44000	143000	16500	-	22000	107500	10000	20000
0063	58	तृतीय	44000	143000	16500	-	22000	107500	10000	20000
0064	59	प्रथम	44000	143000	16500	-	22000	107500	10000	20000
0065	60	द्वितीय	44000	143000	16500	-	22000	107500	10000	20000
0066	61	तृतीय	72000	143000	-	94000	-	107500	-	-
0067	62	प्रथम	72000	159000	-	-	65000	107500	10000	50000
0068	63	द्वितीय	44000	159000	16500	-	22000	107500	10000	20000
0069	63A	द्वितीय	44000	121000	16500	-	-	65000	-	-
0070	64	तृतीय	44000	143000	16500	-	22000	107500	10000	20000
0071	65	प्रथम	44000	143000	16500	-	22000	107500	10000	20000
0072	66	द्वितीय	40000	143000	-	-	-	60000	-	-
0073	67	तृतीय	44000	143000	16500	-	22000	78500	10000	20000
0074	68	प्रथम	44000	143000	16500	-	22000	78500	10000	20000
0075	69	द्वितीय	44000	121000	-	-	-	78500	-	-
0076	70	तृतीय	52500	143000	-	84500	-	78500	-	-
0077	71	प्रथम	52500	143000	-	-	-	78500	-	-
0078	72	द्वितीय	52500	143000	-	-	-	78500	-	-

सहायक महानिरीक्षक निबंधन (प्रथम)  
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जिसाधिकारी  
गौतमबुद्धनगर।

**Annexure 9: Major Repairs Undertaken and Proposed in the Subject Property**

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

- Reduction of campus ingress and egress timings by upgrading entry and exit points, constructing a new gate and widened the approach road, upgrading parking systems to RFID based parking and upgrading electromechanical equipment;
- Introduction of several tenant convenience facilities such as day care centres, a salon, ATMs, a gift store and 24x7 convenience stores and enhanced the amenities offered on campus; and
- Installation of rooftop solar panels

**Annexure 10: 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.