

Valuation Report

Mindspace (Sundew
Properties Limited),
Madhapur, Hyderabad

Telangana, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

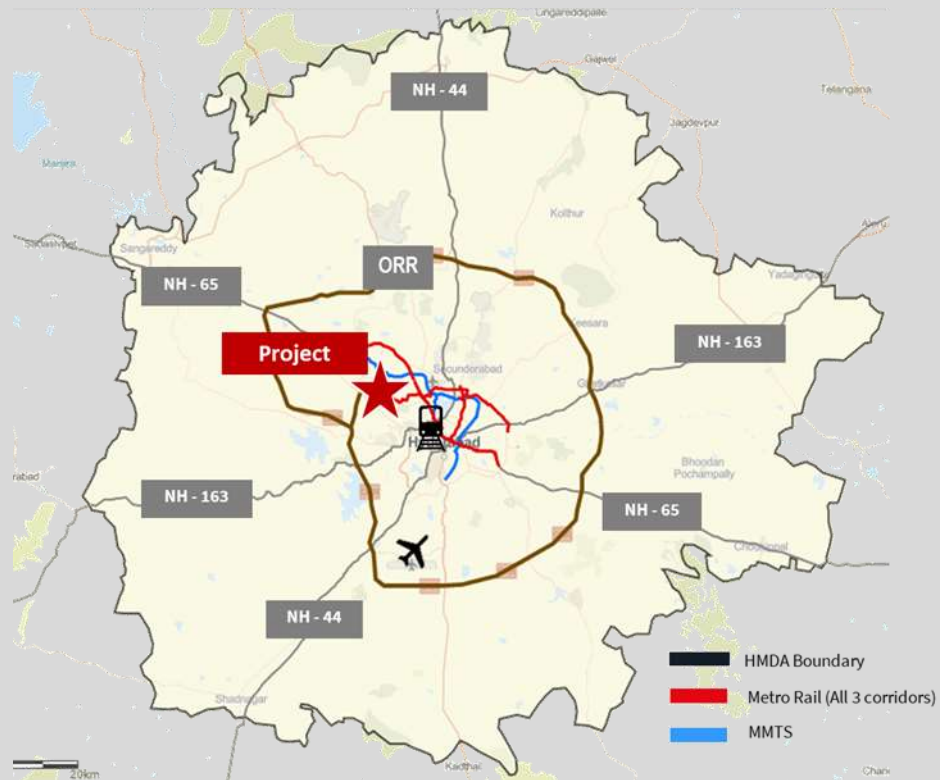
Property Name	Mindspace Madhapur (Sundew), Madhapur, Hyderabad, Telangana, India 500 081
Property Address	Mindspace Madhapur, Titus Towers, TSIC software layout, Madhapur, Hyderabad, Telangana, 500081
Land Area	40.25 Acres
Brief Description	<p>The Project is located in Madhapur micro market in the western part of Hyderabad; adjacent to Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport. The proposed Metro Phase 2 would connect Raidurg to Hyderabad International Airport, which would further improve the connectivity of the Project.</p> <p>The Project is developed as Grade A IT Park and comprises of 5.76 million sq. ft. of leasable area spread across eight IT Buildings (11, 12A, 12B, 12C, 12D, 14, 20, 22). The Project has excellent visibility along the access road and has 3 entry and exit points. Buildings 11 and 22 are Non SEZ and Buildings (12A, 12B, 12C, 12D, 14, 20) are under SEZ and has a secured gate</p> <p>The Project is surrounded by mixed use development comprising residential, retail, and commercial developments.</p>

Asset Details Leasable area details as shared by the Client is given below:

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 11	602,456
2.	Building 12A	856,837
3.	Building 12B	668,481
4.	Building 12C	801,436
5.	Building 12D	1,246,519
6.	Building 14	530,146
7.	Building 20	926,147
8.	Building 22	127,398
Total Leasable Area		5,759,420

Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.

Location Map



Key Assumptions

The table below summarizes key Valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office with Amenities
Current Status	Completed and Operational
Total Leasable Area	5,759,420 sq. ft.
Revenue Assumptions	
In-Place Rent	INR 61.0 per sq. ft. per Month
Market / Marginal Rent	INR 71 per sq. ft. per Month
Parking Rent	INR 2,000 per CPS per Month
Financial Assumptions	
Exit Cap Rate	8.00%
Discount Rate / WACC	11.75%

Market Value

For Completed Project - **INR 55,348.24 million** (INR Fifty-Five Billion Three Hundred Forty-Eight Million Two Hundred and Forty Thousand Only)

*Note: Based on the inputs provided by the Client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is **INR 62,189.04 million** (INR Sixty-Two Billion One Hundred Eighty-Nine Million and Forty Thousand Only)*

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LIST OF ABBREVIATIONS

BPO	Business Process Outsourcing
CBD	Central Business District
DCR	Development Controls & Regulations
GHMC	Greater Hyderabad Municipal Corporation
HMDA	Hyderabad Metropolitan Development Authority
INR	Indian National Rupees
IT/ITES	Information Technology/IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
km	Kilo-metre
NH	National Highway
ORR	Outer Ring Road
PBD	Peripheral Business District
RICS	Royal Institution of Chartered Surveyors
SEBI	Securities and Exchange Board of India
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft.	square feet
sq. m.	square metre
REIT	Real Estate Investment Trust
Y-o-Y	Year-on-Year

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / IT office project I named '**Mindspace Madhapur (Sundew)**' located in **Madhapur, Hyderabad**, Telangana, India (hereinafter referred to as the 'Project'). The Project is an operational IT Park having leasable area of about 5.76 million sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sr. No	Building Name	Leasable Area (sq. ft.)
1.	Building 11	602,456
2.	Building 12A	856,837
3.	Building 12B	668,481
4.	Building 12C	801,436
5.	Building 12D	1,246,519
6.	Building 14	530,146
7.	Building 20	926,147
8.	Building 22	127,398
	Total Leasable Area	5,759,420

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal

Institution of Chartered Surveyors (“RICS”), Fellow and Lifetime Member of Institute of Valuers, India (“IOV”), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER’S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The project was inspected on 01 April 2023 by the Valuer in the presence of client-nominated representative, and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational commercial / office space, the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted a exit cap rate of 8% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective contribution to the total capital of the company (WACC).

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate considering the location of Project and market dynamics of the micro market, has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

This derived discount rate was found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Mindspace Madhapur (Sundew), Madhapur, Hyderabad, Telangana, India 500 081																														
Property Address	Mindspace Madhapur, Titus Towers, TSIIIC software layout, Madhapur, Hyderabad, Telangana, 500081																														
Land Area	40.25 acres																														
Brief Description	<p>The Project is located in Madhapur micro market in the Western part of Hyderabad; adjacent to Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport. The proposed Metro Phase 2 would connect Raidurg to Hyderabad International Airport, which would further improve the connectivity of the Project.</p> <p>The Project is developed as Grade A IT Park and comprises of 5.76 million sq. ft. of leasable area spread across eight IT Buildings (11, 12A, 12B, 12C, 12D, 14, 20, 22). The Project has excellent visibility along the access road and has 3 entry and exit points. Buildings 11 and 22 are Non SEZ and Buildings (12A, 12B, 12C, 12D, 14, 20) are under SEZ and has a secured gate.</p> <p>The Project is surrounded by mixed use development comprising residential, retail, and commercial developments.</p>																														
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table><tr><th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>Building 11</td><td>602,456</td></tr><tr><td>2.</td><td>Building 12A</td><td>856,837</td></tr><tr><td>3.</td><td>Building 12B</td><td>668,481</td></tr><tr><td>4.</td><td>Building 12C</td><td>801,436</td></tr><tr><td>5.</td><td>Building 12D</td><td>1,246,519</td></tr><tr><td>6.</td><td>Building 14</td><td>530,146</td></tr><tr><td>7.</td><td>Building 20</td><td>926,147</td></tr><tr><td>8.</td><td>Building 22</td><td>127,398</td></tr><tr><td></td><td>Total Leasable Area</td><td>5,759,420</td></tr></table> <p>Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property. Building 22 has been handed over to the tenant, though the building is not yet occupied and operational as a hotel although the rentals have commenced.</p>	Sl.	Building Name	Leasable Area (sq. ft.)	1.	Building 11	602,456	2.	Building 12A	856,837	3.	Building 12B	668,481	4.	Building 12C	801,436	5.	Building 12D	1,246,519	6.	Building 14	530,146	7.	Building 20	926,147	8.	Building 22	127,398		Total Leasable Area	5,759,420
Sl.	Building Name	Leasable Area (sq. ft.)																													
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7.	Building 20	926,147																													
8.	Building 22	127,398																													
	Total Leasable Area	5,759,420																													
Valuation Methods	For completed and operational Buildings, the estimate of Market Value is prepared using 'Discounted Cash Flow Method' using Rent Reversion																														
Nature of the Interest by the Client	89% freehold interest in the Project as informed by the Client																														
Purchase Price of the Project	<p>INR 41,956.83 million, as given by the Client</p> <p><i>Note: Based on the inputs provided by client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is INR 47,142.51 million</i></p>																														

Historical Valuation of the Project in 3 Previous Years

Below table summarizes historical valuation of the Project as given by the Client:

Sl.	Date of Valuation	Market Value (INR Million)
1.	30-Sep-2022	55,024
2.	31-Mar-2022	53,737
3.	30-Sep-2021	52,016
4.	31-Mar-2021	50,665 (Completed: 49,973, Under Construction: 692)
5.	30-Sep-2020	50,121 (Completed: 49,489, Under Construction: 632)
6.	31-Mar-2020	48,114 (Completed: 47,582, Under Construction: 532)

Note: The above figures are for 89% interest of Sundew Properties Limited in the Project.

Ready Reckoner Rate

For Built-up Area
Ground floor – INR 7,300 per sq. ft. and first & other floors - INR 6,600 per sq. ft.
Land Rate – INR 44,900 per sq. yd.

Date of Valuation 31-Mar-2023

Date of Inspection 01-Apr-2023

Market Value as on 31-Mar-2023

For Completed Project - **INR 55,348.24 million** (INR Fifty-Five Billion Three Hundred Forty-Eight Million Two Hundred and Forty Thousand Only)

*Note: Based on the inputs provided by client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is **INR 62,189.04 million** (INR Sixty-Two Billion One Hundred Eighty-Nine Million and Forty Thousand Only)*

Matters Affecting the Property and its Value

Please refer to Chapter 7 of this Valuation Report

Assumptions, Disclaimers, Limitations and Qualifications

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

Prepared by KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164)
Represented through its Director
Mr. Sachin Gulaty FRICS FIV FIIA
IBBI/RV/02/2021/14284



Name: Sachin Gulaty FRICS FIV FIIA
Designation: Director
Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5.1: Details of the Project Site and/or Project

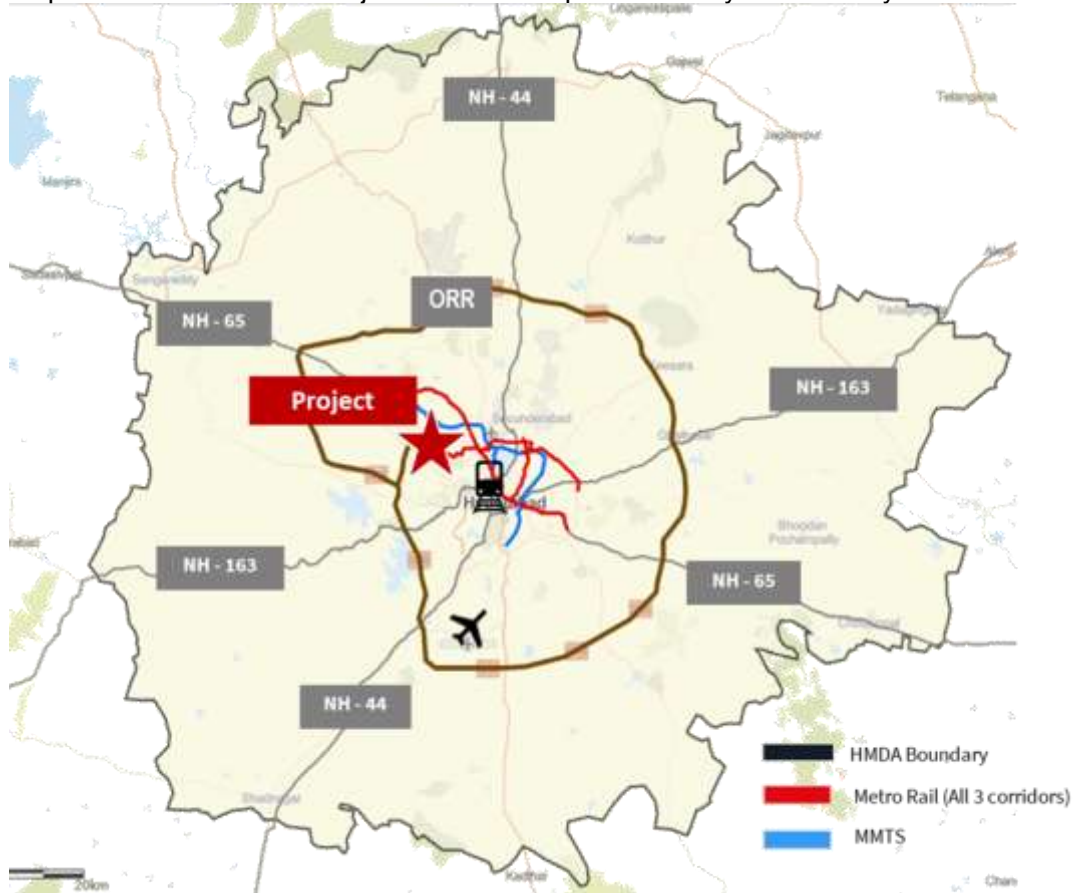
DETAILS OF PROPERTY		
Property Name	Mindspace Madhapur (Sundew), Madhapur, Hyderabad, Telangana, India 50081	
Property Address	Mindspace Madhapur, Titus Towers, TSIIIC software layout, Madhapur, Hyderabad, Telangana, 500081	
Land Area	40.25 Acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sr. No.	Building Name
	1.	Building 11
	2.	Building 12A
	3.	Building 12B
	4.	Building 12C
	5.	Building 12D
	6.	Building 14
	7.	Building 20
	8.	Building 22
	Total Leasable Area	
	5,759,420	
Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.		
Access	Accessible through 60 m wide Hitech City Main Road and 36 m wide internal road	
Frontage	Excellent frontage along the abutting road	
Shape and Visibility	Regular in shape and has excellent visibility along the abutting road	
Approval Status	Project has requisite approvals in place as confirmed by the Client.	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The Project is located in Madhapur in the Western part of Hyderabad. It is located adjacent to the Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport.

The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Hyderabad City



Source: Real Estate Market Research & Analysis; JLL, March 2023

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project (km)
Raidurg Metro station	Adjacent to the Mindspace Park
Cyber Tower	~ 1.3
Inorbit Mall	~ 1.4
Outer Ring Road (ORR)	~ 2.5
Secunderabad Railway station	~ 19
Hyderabad International Airport	~ 31

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as Grade A IT Park and is located in Madhapur micro market of Hyderabad. It is located accessible through 60 m wide road from HITEC City main road and 36 m internal road. In terms of Project Site attributes, the Project Site is regular in shape and has relatively flat terrain. The Project has excellent frontage and visibility along the abutting road and the overall IT Park has 3 entry / exit points. The Project is regular in shape with fairly even topography.

The Project is spread across ~40.25 acres of land and spread across eight buildings with total leasable area of ~ 5.76 million sq. ft.

The Project micro market has excellent social and physical infrastructure and is the most sought-after micro market for Commercial office in Hyderabad.

The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments



Source: Real Estate Market Research & Analysis; JLL, March 2023

The table below presents the boundary/edge conditions of the Project (overall Mindspace Park).

Table 5.3: Project (overall Mindspace Park) and its Site Boundaries

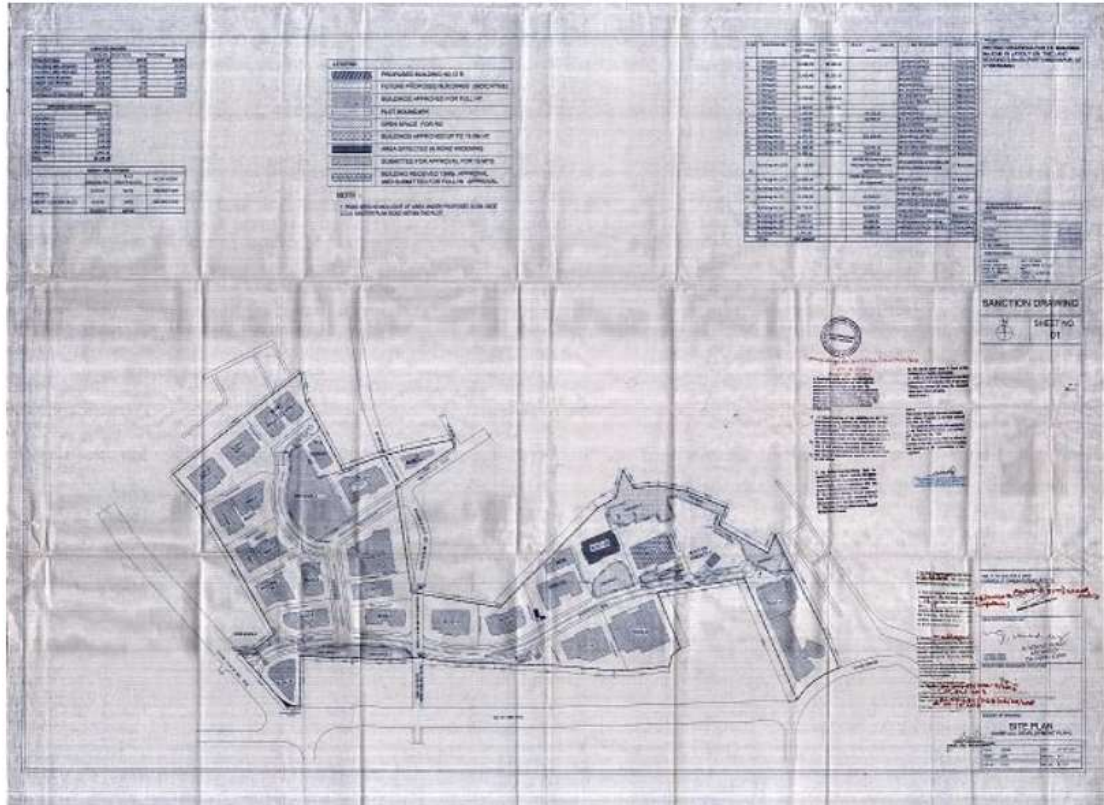
North	Private Property
South	Private Property and 36 m wide road
West	60 m wide road (HITEC City main road)
East	Private Property and 24 m wide road

Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project is predominantly surrounded by Grade A commercial / office, residential, retail and hospitality developments.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, March 2023

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area 5.76 million sq. ft. spread across eight (8) IT Buildings (11, 12A, 12B, 12C, 12D, 14, 20, 22). The Project has excellent visibility along the access road and has 3 entry and exit points. Buildings 11 and 22 are Non SEZ and Buildings (12A, 12B, 12C, 12D, 14, 20) are under SEZ and has a secured gate

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 11	602,456
2.	Building 12A	856,837
3.	Building 12B	668,481
4.	Building 12C	801,436
5.	Building 12D	1,246,519
6.	Building 14	530,146
7.	Building 20	926,147
8.	Building 22	127,398
Total Leasable Area		5,759,420

Source: Client, March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Total utility areas and internal roads
- Total open spaces

The table below presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project

Particulars	Description		
Name of the Entity	Sundew Properties Limited		
Interest owned by Mindspace REIT	Project is wholly owned by Sundew Properties Limited, which is 89% owned and controlled by Mindspace REIT		
Land Extent	40.25 Acres		
Asset Type	IT Park with Non-SEZ and SEZ buildings		
Sub-Market	Madhapur		
Approved and Existing Usage	IT Offices and Building 22 is operational as Hotel		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	Building 11	~ 10 years 11 months
	2.	Building 12A	~ 7 years 1 month
	3.	Building 12B	~ 8 years 1 month
	4.	Building 12C	~ 6 years 1 month
	5.	Building 12D	~ 3 years
	6.	Building 14	~ 12 years 4 months
	7.	Building 20	~ 10 years 4 months
	8.	Building 22	~ 2 years 11 months
Current Status	100% Complete and Operational		
Approvals Status	List of approvals are specified in annexure 4		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	5.76 million sq. ft.		
Occupied Area	5.1 million sq. ft.		
Committed Area	5.6 million sq. ft.		
Occupancy ^{3/}	89.2%		
Committed Occupancy ^{4/}	97.2%		
Number of Tenants	51		

^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 5.76 million sq. ft.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

5.5 PROJECT INSPECTION

The Project is part of a larger campus having total leasable area of 5.76 million sq. ft. spread across Eight (8) IT Buildings (11, 12A, 12B, 12C, 12D, 14, 20, 22). Buildings 11 and 22 are Non SEZ and Buildings 12A, 12B, 12C, 12D, 14, 20 are under SEZ and have a secured gate, The Property was inspected on 01 April 2023 by the Valuer.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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

Some of the photographs of the Project and surroundings are given below



5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

Table 5.6: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)	Usage Type	Status	Age of the Building
1.	Building 11	602,456	Non - SEZ	Completed	~ 10 years 11 months
2.	Building 12A	856,837	SEZ	Completed	~ 7 years 1 month
3.	Building 12B	668,481	SEZ	Completed	~ 8 years 1 month
4.	Building 12C	801,436	SEZ	Completed	~ 6 years 1 month
5.	Building 12D	1,246,519	SEZ	Completed	~ 3 years
6.	Building 14	530,146	SEZ	Completed	~ 12 years 4 months

Sr. No.	Building Name	Leasable Area (sq. ft.)	Usage Type	Status	Age of the Building
7.	Building 20	926,147	SEZ	Completed	~ 10 years 4 months
8.	Building 22	127,398	Non - SEZ	Completed	~ 2 years 11 months

Developable Area of the Project

The Total area of the Project is ~ 40.25 acres with a total leasable area of ~ 5.76 million sq. ft under 8 buildings

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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. Hyderabad where the Project is located falls in Seismic Zone II with low risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. Project is regular in shape with fairly even topography. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the valuer, relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS**Tenant Profile of Top 10 Tenants**

As on 31st March 2023, The Project has 51 tenants which include companies like Cognizant, AMD, HighRadius, IBM, Wipro Pega Systems etc. The Project's Top 10 tenants account 55.38% of the Gross Rental Income

The top 10 Tenants as per Leasable areas is listed below: -

Table 5.7: Top 10 Tenants as per Leasable Area*

Sr. No.	Tenant	Leasable Area (Sq Ft)
1	Cognizant Technology Solutions (I) Pvt. Ltd.	793,071
2	Optum Global Solution India Limited	407,401
3	AMD India Private Limited	363,262
4	HighRadius Technologies Pvt Ltd	351,874
5	CARRIER TECHNOLOGIES INDIA LIMITED	248,822
6	Pegasystems Worldwide India Pvt. Ltd.	237,711
7	IBM India Private Limited	231,535
8	Mindtree Limited	219,915
9	Wipro Limited	219,571
10	NCR CORPORATION INDIA PRIVATE LIMITED	219,255
	TOTAL	32,92,417

* Includes contracted areas for which rent may start at a future date

The top 10 Tenants as per Gross Rents are listed below: -

Table 5.8: Top 10 Tenants as per Gross Rentals*

Sr. No.	Tenant	Share of Gross Rentals (%)
1	Cognizant Technology Solutions (I) Pvt. Ltd.	11.62%
2	AMD India Private Limited	8.11%
3	Optum Global Solution India Limited	6.31%
4	Wipro Limited	5.17%
5	CARRIER TECHNOLOGIES INDIA LIMITED	5.14%
6	IBM India Private Limited	5.04%
7	Pegasystems Worldwide India Pvt. Ltd.	4.31%
8	Open Text Technologies India Pvt. Ltd.	4.08%
9	NCR CORPORATION INDIA PRIVATE LIMITED	3.50%
10	Mindtree Limited	3.47%
	TOTAL	56.74%

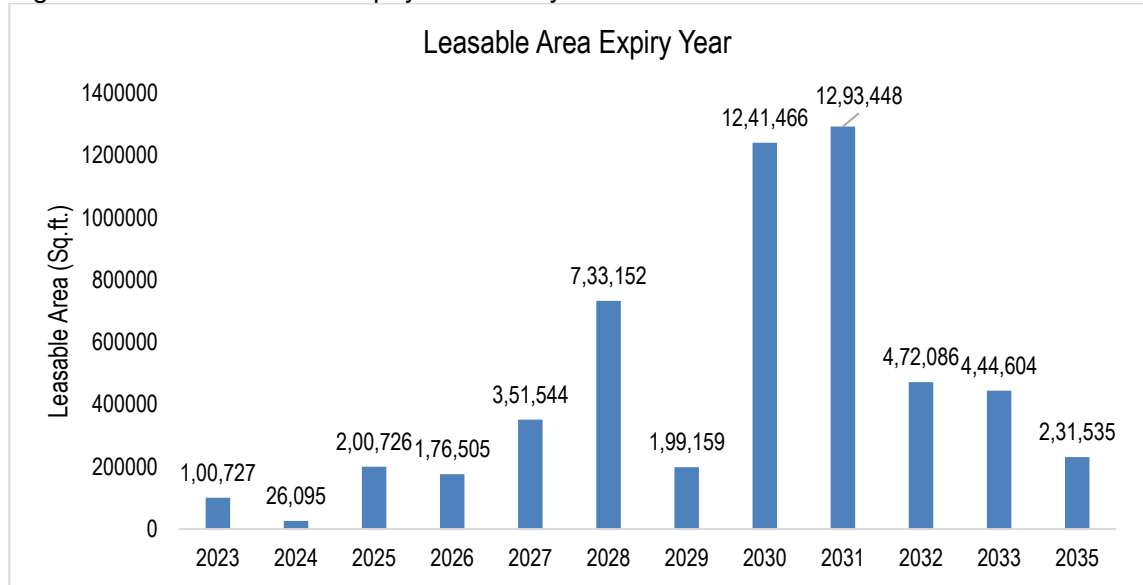
Source: Analysis, March 2023

* Includes contracted areas for which rent may start at a future date

Lease Expiry Analysis

The WALE of the project is 8.3 years, with 45.3% of occupied area is expiring CY 2030 and CY 2031 as shown in the chart below:

Figure 5-1: Leasable Area Expiry Year Analysis



Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 5% every year or 15% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Hyderabad is one of the fastest-growing cities in India. The city has succeeded in building on its IT/ITeS and pharmaceutical capabilities and managed to attract several global technology and pharmaceutical giants to invest in and operate from the city. In 2020, Hyderabad topped the JLL City Momentum Index (CMI) for the second time after 2018. An active real estate market with healthy rental growth along with a thriving start-up culture have been the catalysts for Hyderabad to surpass all other major metro cities around the world and top the index. Proactive initiatives and investor friendly policies such as the new industrial policy of TS-iPass by the state government has driven the fast and strong economic growth of the city in the last 5 years.

The city is also home to 4,000 start-ups, primarily in the field of AI, Life sciences and Big Data analytics. The 2020 Global Start-up Ecosystem Report (GSER) by start-up Genome and the Global Entrepreneurship Network has put the state of Telangana among the top 30 global ecosystems for affordable talent in 2020 and Hyderabad is amongst the Top 100 emerging ecosystems.

IT/ITeS and pharmaceutical industries are the two major sectors that contribute maximum to the city's GDP. Defying all the covid disruptions, IT exports by Telangana in FY 2021-22 grew by 26% to INR 1,83,569 crore, compared to the national average of 17%. During the same year, the state added approximately 1,49,506 new jobs at an annual growth rate of 23.8%. This accounts for one third of the total IT jobs added in the country during the same period. Along with IT/ITeS, the pharmaceutical industry adds significantly to the exports from the city by commanding a 30% share in India's bulk drug production.

Owing to its robust and fast-developing infrastructure along with ease of living that offers a cosmopolitan environment, Hyderabad is amongst the most preferred destinations by the young workforce of the country. As per India Workforce Report by LinkedIn, Hyderabad is the 3rd largest city to attract people from every corner of India. Hyderabad accounts for about 8.5% of total immigrants across cities in India.

6.3 INFRASTRUCTURE INITIATIVES

The Telangana State Road Transport Corporation's (TSRTC) city buses, and Indian Railways' Multi-Modal Transport System along with Hyderabad Metro Rail (HMR) form the key public transport system for Hyderabad city. The current Hyderabad Metro Rail network consists of 57 stations covering 67 km. This connects the eastern and western parts of the city through the dense CBD of Hyderabad. This service is further being extended to connect the Rajiv Gandhi International airport at Shamshabad with the IT hubs- Madhapur, Gachibowli, and surrounding areas in the western part. Over the last 3 years, the city has experienced massive road development projects in all major areas.

The major infrastructure push to Hyderabad is being carried out through the most comprehensive road development plan. The flagship program by the state government and Greater Hyderabad Municipal Corporation (GHMC) is aimed to improve 54 junctions in the city

by building new elevated flyways and underpasses along with the construction of new roads. The INR 24,000 crore project involves improving the traffic congestion in the city and use it as a catalyst to improve the ease of living.

Existing infrastructure

Existing Project	Completion timeline	Details	Key Impact Zones
Nehru Outer Ring Road (ORR)	2008 – 2018 (in phases)	158 km elevated 8-lane expressway built to encircle city periphery	Madhapur, Gachibowli
Rajiv Gandhi International Airport (RIGA)	2008 (On-going expansion)	Improved air connectivity of Hyderabad with key cities across the world. Direct air connectivity with the key cities in the USA, UK, Europe, Middle East, Singapore, and Hong Kong.	Suburbs Others, Gachibowli
PVNR Expressway	2009	11.6 km signal-free elevated highway from Mehdiapatnam to Attapur	SBD, Suburbs Others
Durgam Cheruvu Bridge	2020	0.5 km cable bridge over Durgam Cheruvu connecting Jubilee Hills to Madhapur Reduces travel time	SBD
Strategic Road Development Programme (SRDP)	Started in 2018	-	CBD, SBD, Madhapur, Gachibowli, Suburbs Others

Source: Real Estate Market Research & Analysis; JLL, March 2023

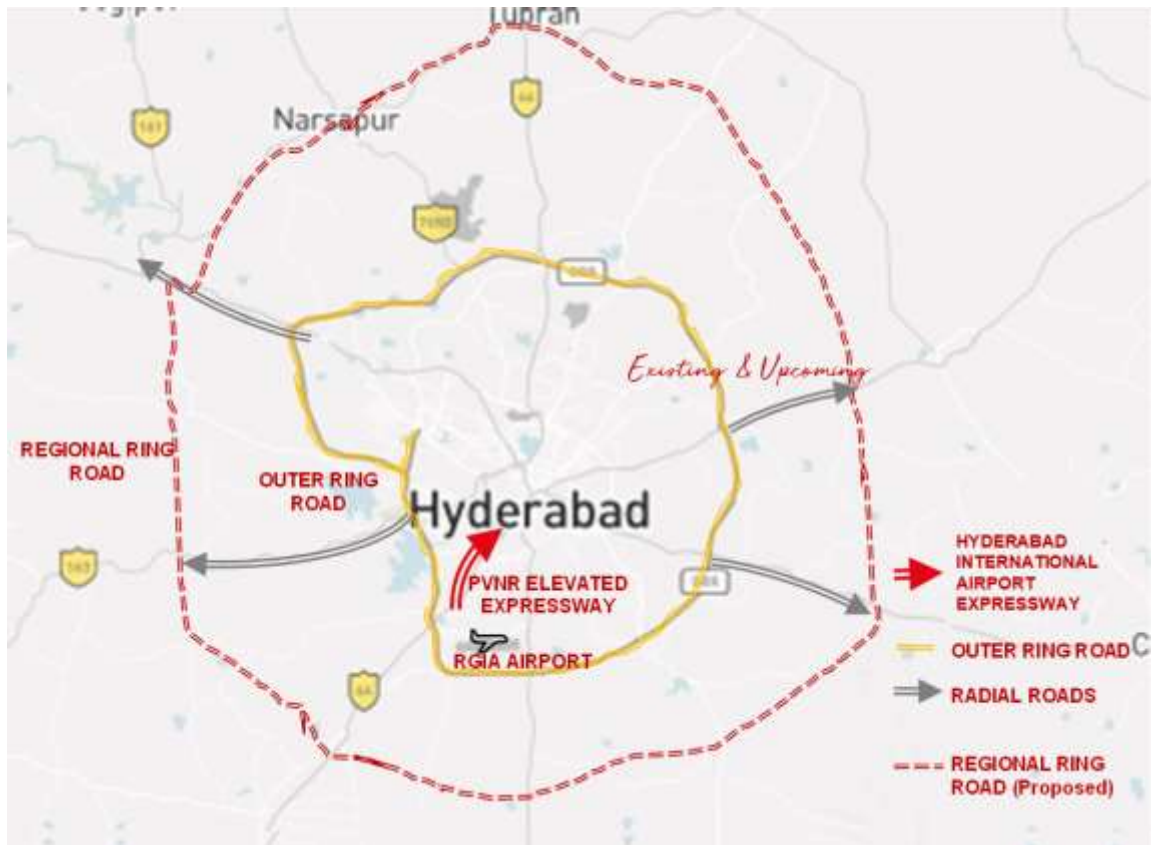
Upcoming Infrastructure

Some of the key upcoming projects for the city are mentioned below:

Existing Project	Completion timeline	Details	Key Impact Zones
Regional Ring Road	NA	6 lane, 330 km Circular Road network to be developed around extended suburbs of Hyderabad city to ensure excellent connectivity with supporting smaller towns around Hyderabad. Intercity connectivity with other districts of Telangana is likely to improve	NA
Elevated Corridors	2022 - 2024	Elevated Road network in key junctions of the city Helps in easing traffic congestion	Suburbs Others, CBD, SBD
Elevated Bus Rapid Transport System (EBRTS)	NA	To complement Hyderabad's transport infrastructure, an elevated BRTS is planned between KPHB and the Financial District with further extension up to Kokapet. Being implemented by the Hyderabad Airport Metro Limited EBRTS will have 23 stops for electric buses and aims to resolve the traffic congestion along the Metro corridor.	Madhapur, Gachibowli

Source: Real Estate Market Research & Analysis; JLL, March 2023

Hyderabad – Key existing and upcoming roads in the city



Source: Real Estate Market Research & Analysis; JLL, March 2023

Existing Metro Rail Lines

Hyderabad Metro Rail Phase 1 is fully operational with coverage of ~69 kms. Since the announcement of the Metro Rail Project in 2017, Hyderabad's real estate witnessed a boost along its corridors. Phase II of this project traverses ~58 kms network connecting airport and other residential suburbs; Raidurg to Shamshabad network by ~ 31 kms; LB Nagar to Nagole ~5kms and Lakdikapul to BHEL by ~ 22kms.

Existing Project	Completion timeline	Details	Key Impact Zones
Hyderabad Metro Rail – Phase I	2017 - 2020	69 km elevated network connecting eastern and western parts of city via CBD	SBD, CBD, Madhapur

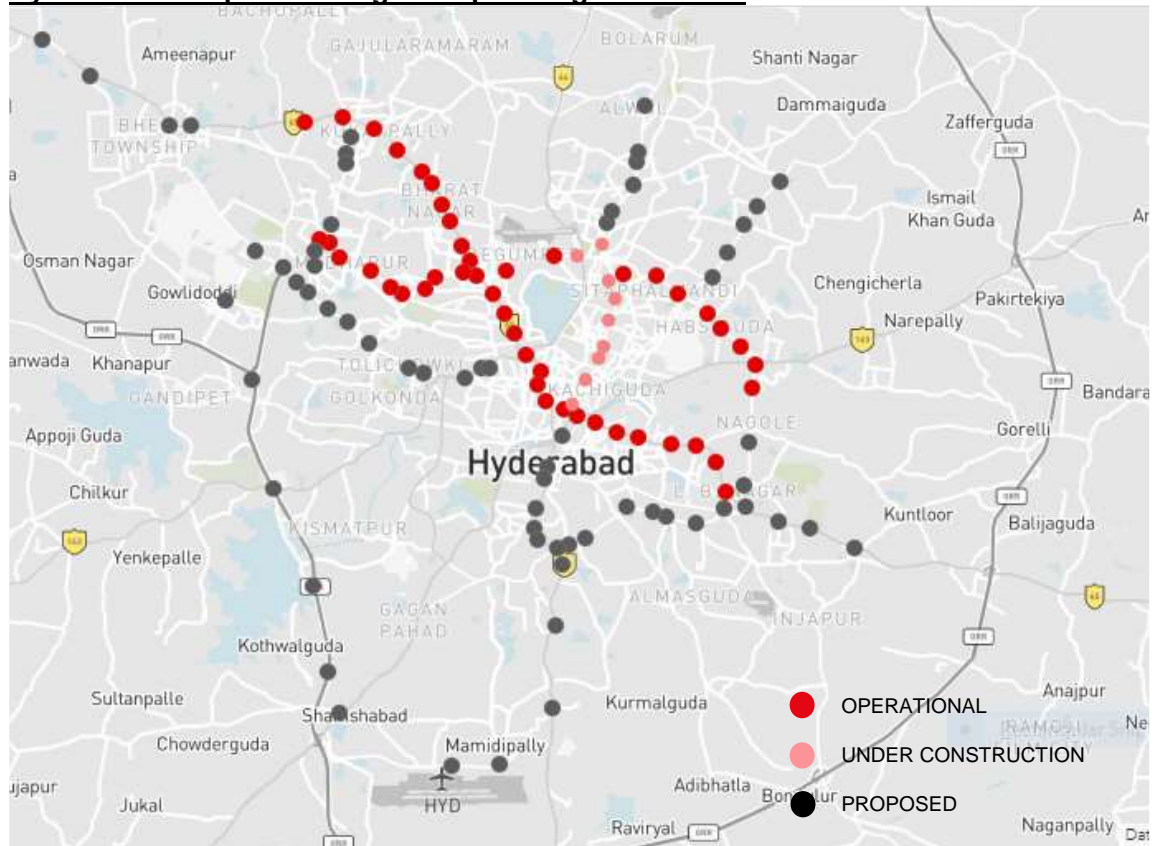
Upcoming Metro Rail Lines

Upcoming Project	Completion timeline	Details	Key Impact Zones
Hyderabad Metro Rail – Phase II	NA (3-4 years from commencement)	<ul style="list-style-type: none"> 58 km network connecting airport and other residential suburbs Raidurg to Shamshabad Airport – 31 km Nagole to LB Nagar – 5 km Lakdi ka pul to BHEL – 22 km 	Gachibowli, SBD, Suburbs Others
Hyderabad Airport Metro	NA	Hyderabad Metro's Airport Express Line is an upcoming rail line that'll connect Mindspace REIT Junction and Rajiv Gandhi International Airport in Shamshabad via 10	

Upcoming Project	Completion timeline	Details	Key Impact Zones
		stations. This 32 km line of the Hyderabad Metro Phase 2 project will be funded by Telangana Government and executed by HAML (Hyderabad Airport Metro Ltd).	

Source: Real Estate Market Research & Analysis; JLL, March 2023

Hyderabad – Map of existing and upcoming metro lines



Source: Real Estate Market Research & Analysis; JLL, March 2023

6.4 HYDERABAD - OFFICE SUB MARKETS

The office sub-markets of Hyderabad City are classified into six micro markets based on the market trend as mentioned below.

Sub-market	Locations	Map of Hyderabad office market
CBD	Begumpet, SP Road, Secunderabad, Punjagutta, Nagarjuna Circle, Raj Bhavan Road.	
SBD	Banjara Hills, Jubilee Hills, Shaikpet, Kavuri Hills, Ameerpet, Nagarjuna Hills	
Madhapur	Hafeezpet, Madhapur, Kondapur, Madhapur, Raidurg, Kukatpally	
Gachibowli	Kokapet, Manikonda, Financial District, Nanakramguda, Puppalguda, Khajaguda	
Peripheral East	Uppal, Pocharam	
Suburbs- Others	Shamshabad	

Source: Real Estate Market Research & Analysis; JLL, March 2023

City Market Trends

Sub-Markets	Total Stock (sq. ft)	Net Absorption (sq. ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
CBD	3,284,888	8,973	-93.1%	NA	9.5%	- 20 bps	- 810 bps
SBD	3,466,255	77,444	-55.2%	61.4%	25.6%	- 220 bps	- 280 bps
Madhapur	64,479,253	342,544	-75.7%	-68.0%	13.6%	40 bps	390 bps
Gachibowli	33,320,892	-4,222	-114.9%	-100.2%	34.6%	0 bps	1,120 bps
Peripheral East	2,989,000	50,000	NA	NA	35.2%	-160 bps	-270 bps
Suburbs Others	1,297,083	100,007	NA	NA	21.4%	-380 bps	-540 bps

Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing Activity

Leasing activity in Hyderabad dropped significantly during the quarter to 0.9 million sq ft as office space demand remained sluggish in the start of the year. While IT & ITES led the leasing activity during the quarter, Healthcare and BFSI segments contributed significantly. However, absorption in flex spaces remained healthy during the quarter as many firms are inclining towards plug & play workspaces. While Madhapur contributed 85% in gross leasing, Gachibowli stood at 15%.

The city is currently witnessing the conclusion of a few pre-lease transactions in the key projects of Salarpuria, RMZ and CapitaLand in the Madhapur submarket. This trend is likely to continue over the next year as several pre-leasing deals are on the verge of completion, predominantly in the Madhapur submarket.



Source: Real Estate Market Research & Analysis; JLL, March 2023

Vacancy

As new supply outpaced a slowly recovering demand by a large margin, vacancy levels in the city went upward over the last one year. Since covid, the vacancy levels in the city have been growing north amidst a relative decline in the leasing activity from large IT companies while the supply has been very robust simultaneously. While vacancy in Madhapur has risen from 3% to 13% in last three years, it has grown from 8% to 34% in Gachibowli during the same period. With no large supply and muted demand during the quarter, vacancy in the city has remained unchanged at 21% in Q1 2023.

Submarket Rents

With limited supply till 2018 in the city, rents remained stable across the city. However, as new wave of quality supply hit the market in 2019 rents have witnessed a significant growth in the key micro markets like Madhapur and Gachibowli. However, post covid the rental growth has been limited but continues to be on growth curve in the city amidst completions from top developers largely in Madhapur and Gachibowli at higher rentals. With no new supply in Q1 2023 besides moderate demand, rents in the city remain unchanged at INR 63.3 per sq ft per month.

New supply

In last few years Hyderabad has witnessed a massive growth in new supply across the key submarkets. While the average annual supply from up to 2018 has been 4.8 million sq ft, it jumped to 13.2 million sq ft in the last four years in the city. With delayed projects coming on board in the next few quarters, new supply is expected to witness a robust growth in the latter half of 2023, largely driven by Madhapur and Gachibowli submarkets. After a record high supply during the last quarter, Hyderabad saw its lowest ever supply in Q1 2023 at 0.7 million sq ft, owing to delays in receiving Occupancy Certificates, taking the overall office stock in the city to 108.8 million sq ft.

Outlook

New supply is likely to be driven by leading developers like RMZ, Salarpuria, Phoenix Group & GAR Corp as many large projects are in advanced stages of constructions, mostly located

in the submarket of Madhapur. Amidst sharp decline in demand for large scale office spaces by leading IT & BFSI players, vacancy in the city is expected to come under pressure in the medium term in the range of 20-23%. While a significant proportion of the upcoming supply in the medium to long term is still due for absorption, the gradually recovering momentum in leasing activity is expected to improve the leasing activity in the longer term. Large part of leasing activity is expected to be witnessed in Madhapur market owing to quality supply from leading developers in key localities of the submarket.

6.5 MICRO MARKET: MADHAPUR

The project lies in the Madhapur micro market.

Supply, Demand Trend

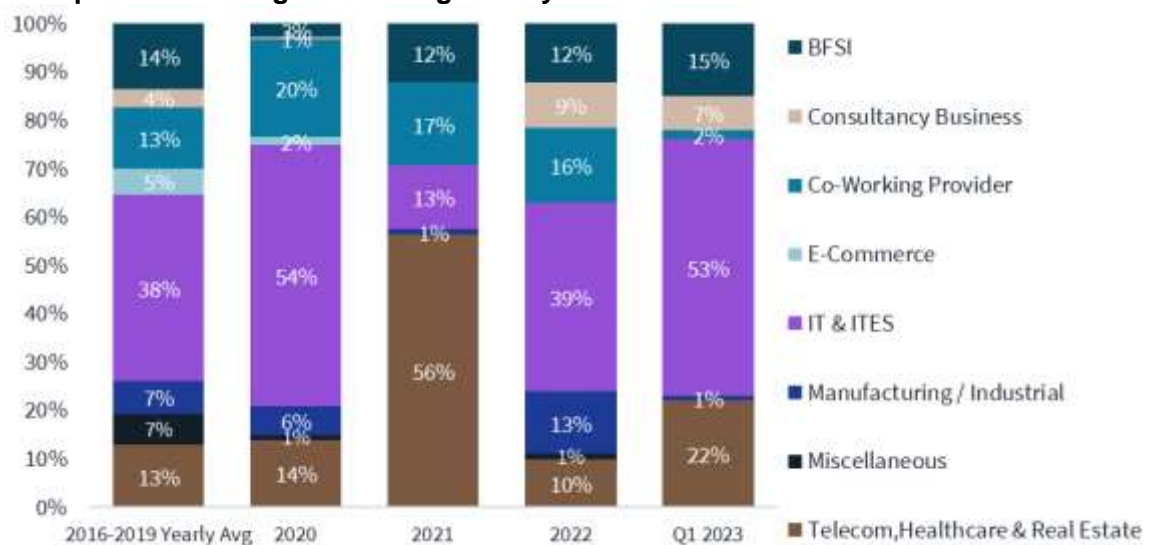
Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, March 2023

As Madhapur enjoys the superior connectivity and well-established infrastructure in the city, it has been the most sought-after office market in the city from tenants across all segments. It commands a market share of 60-70% of total leasing activity in the city as large companies

prefer expanding into this market along with robust demand from mid-sized tenants. Demand has always matched or outpaced the supply in the submarket amidst large inflow of pre-commitments in the properties of Salarpuria, KRC, RMZ, Phoenix & Divyasree Developers. Albeit a mismatch in 2020 owing to covid, it recorded a healthy recovery 2021 & 2022. Amidst limited supply with a moderate occupancy along with sluggish demand, net absorption in the submarket during the quarter dropped to 0.3 million sq ft, which accounts for 65% of total net absorption in the city. As key transactions that are in pipeline started to conclude in major properties during the quarter, Madhapur sustained a healthy traction in gross leasing activity at 0.8 million sq ft.

Supply

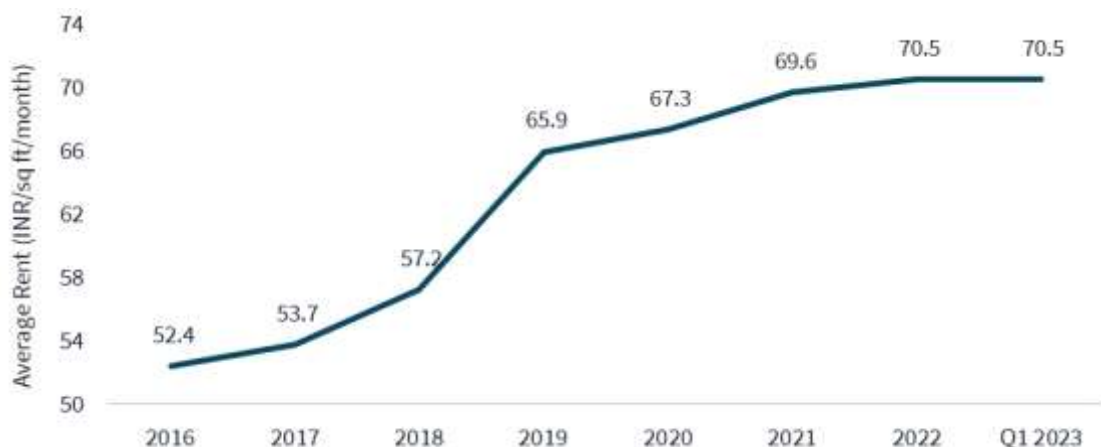
In the last 4 years, total Grade A office stock in Madhapur recorded a growth of 77% to 64 million sq ft. With marquee office projects getting operational by key developers like RMZ, Salarpuria & Divyasree, supply remained very robust in this submarket with an average annual supply of 7 million sq ft from 2019. In Q1 2023, Madhapur witnessed a sharp decline in new supply owing to delayed approvals of key projects under construction. It recorded completion of one new project of 0.7 million sq ft, taking total office stock to 64.5 million sq ft.

Vacancy

As the submarket has been largely driven by large scale pre-commitments along being most sought-after market by small to medium scale tenants, vacancy has always remained below 5% until 2019. However, due to huge supply alongside poor demand due to covid, vacancy rose from 3% to 8% in 2020. Currently, it stands at 13.6% as the supply remained very robust while the demand is on a gradual recovery.

Rents

Madhapur micro market is the most preferred sub-market in the city attracting large and marquee MNC occupiers. Due to excellent connectivity along with the ecosystem it offers over other sub-markets; the average lease rental (INR 70.5 per sq ft per month) is above the city average. Some of the prominent IT Parks offering Premium Grade A space in the Madhapur micro market are Salarpuria Knowledge City and RMZ Skyview; lease rentals in these Projects are in the range of INR 74-79 per sq ft per month.



Note: Mindspace REIT micro markets, 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.

Source: Real Estate Market Research & Analysis; JLL, March 2023

Prominent Lease Transactions within the Micro-Market

Some of the lease transactions witnessed in the micro-market are presented on the following page:

Table 6-1: Major Lease Transactions in the Micro-Market of the Project

Sr. No.	Occupier Name	Name of the Building	Sub-Market	Area Leased (sq ft)	Lease Rentals (INR per sq ft per month)	Transacted Period
1	Warner Bros	Capitaland International Techpark	Madhapur	100,000	72 - 76	1Q,2023
2	VXI	Capitaland International Techpark	Madhapur	60,000	70 -74	1Q,2023
3	PWC	My Home Twitza	Madhapur	60,000	64 -68	1Q,2023
4	E&Y	Capitaland International Techpark	Madhapur	75,000	74 -78	4Q, 2022
5	Chubb	Knowledge Park Phase 1	Madhapur	50,710	128 -132	4Q, 2022
6	Bosch	Knowledge Park Phase 1	Madhapur	280,000	118 -122	4Q, 2022
7	CBRE D&T	Knowledge Park	Madhapur	80,000	70 - 74	3Q, 2022
8	State Bank Of India	Salarpuria Sattva Knowledge City	Madhapur	6,000	98-100	1Q,2023
9	Yext India	Salarpuria Sattva Knowledge City	Madhapur	27,160	79-82	1Q 2022
10	Clean Harbors India	RMZ - The Skyview	Madhapur	20,924	73-75	1Q 2022
11	Markit India Services	RMZ - The Skyview	Madhapur	44,165	73-75	4Q 2022
12	Providence Global Centre	RMZ - The Skyview	Madhapur	69,601	72-74	3Q, 2022
13	Incedo Technology Solutions	Aurobindo Galaxy Towers	Madhapur	10,403	72-74	2Q 2022
14	Safran India	Aurobindo Galaxy Towers	Madhapur	21,266	72-74	2Q 2022
15	Incedo Technology Solutions	Aurobindo Galaxy Towers	Madhapur	16,814	75-77	1Q 2022
16	SMEDC Services	Aurobindo Galaxy Towers	Madhapur	21,477	73-75	1Q 2022
17	RA Chem Pharma	Aurobindo Galaxy Towers	Madhapur	21,477	73-75	1Q 2022
18	Amazon Retail	Avance Business Hub	Madhapur	169,690	68-70	4Q 2022
19	Genzeon Technology Solution	Aurobindo Galaxy Towers	Madhapur	41,300	68-70	4Q 2022
20	CommVault	V Ascendas IT Park (ITPH)	Madhapur	27,570	68-70	4Q 2022
21	Garmin Technologies	Aurobindo Galaxy Towers	Madhapur	41,393	68-70	1Q 2022
22	Google	Divyasree Omega	Madhapur	60,314	68-70	4Q 2022
23	Google	Divyasree Omega	Madhapur	180,995	68-70	4Q 2022
24	Google	Divyasree Omega	Madhapur	30,257	68-70	4Q 2022
25	Anarock Property Consultants	Salarpuria Sattva Knowledge City	Madhapur	7,000	68-70	3Q, 2022

Sr. No.	Occupier Name	Name of the Building	Sub-Market	Area Leased (sq ft)	Lease Rentals (INR per sq ft per month)	Transacted Period
26	Harsco India Services	Western Aqua	Madhapur	43,139	66-69	4Q 2022
27	Axis Clinicals	Aurobindo Galaxy Towers	Madhapur	79,605	66-69	2Q 2022

Source: Real Estate Market Research & Analysis; JLL, March 2023

The lease transactions in the micro market are recorded in the range of INR 64 – 80 per sq. ft. per month (warm shell) where the Project is located. Market rent for the Project has been considered in line with the achievable market rent for completed buildings at INR 71 per sq. ft. per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within India

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6-2: List of transactions / deals in recent past:

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, March 2023

Table 6-3: List of multicity transactions in recent past

Sl. No	Type of Transaction	Property Name	Location	Type of Asset	No. of properties/area	Deal Size (INR Bn)	Net Yield	Status of Development
1	Multi-city	RMZ-Brookfield	Bengaluru, Chennai, Pune (exc. Coworks)	Commercial office space	Appx 12.3 million sq. ft.	145	7.40% - 7.60%	All completed and operational properties
2	Multi-city	Prestige	Multiple cities	Commercial, Retail	Completed and under construction (3 properties)	Total - 91, Tranche: 74	8.00% - 8.50%	Both completed & Under construction

Source: Real Estate Market Research & Analysis; JLL, March 2023

Project i.e., Mindspace Madhapur is located in the most preferred micro market for IT/ITeS companies in the city. The Project is forming part of the portfolio of Mindspace REIT. The location has excellent connectivity to residential locations and social infrastructure.

The project offers Grade A space spread across two blocks with good amenities and facilities. Some of the prominent clients in the campus include Verizon, BA Continuum, Qualcomm India Smartworks etc.

The Project is preferred commercial / IT development in Madhapur micro-market due to the quality of building, ecosystem and connectivity (Metro Rail).

Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

Madhapur is likely to witness new supply of 9 to 10 million sq ft in 2023 consisting of marquee projects from leading developers like RMZ, Salarpuria & CapitalLand. As 30% of upcoming supply of 2023 is pre-leased already along with ongoing transactions, Madhapur is expected to record a net absorption of 6 to 6.5 million sq ft in the upcoming year. Owing to upsurge in the new supply for next couple of years, vacancy in the submarket is expected to remain high and increase gradually. Rents are expected to see a marginal upside as most of the ongoing transactions are expected to close higher than market-average rentals. As demand is healthy, evidenced by increased enquiries, the submarket is likely to witness heightened activity in the coming quarters.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project have been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimate 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 lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent-free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.3 CONSTRUCTION TIMELINES

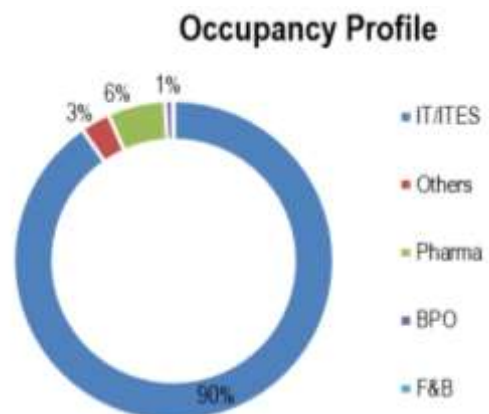
Project has received full occupancy certificate, However, there are certain Construction and upgrade CAPEX payments to be made to vendors to the tune of INR 627 Mn which shall be paid by Q3 FY25

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

1.

Occupancy profile of the project is as follows: -

- ~90% space is taken by IT/ITeS
- ~6% of the space is taken by Pharma and the rest of the space is split between BPO, others and F&B



7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-23	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	5,759,420 sq. ft	As per the information provided by the Client
Leased Area	5,598,445 sq. ft	As per the information provided by the Client
Vacant Area / Vacancy	160,975 / 2.86%	As per the information provided by the Client
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	160,975 sq. ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market
Rent Free Period for New Leases	3 months	As prevalent in the micro-market
Total No. of Car Parking Spaces	6,911	As per the information provided by the Client
No. of Car Parking Spaces Leased	2,657	As per the information provided by the Client
Construction Related Assumptions		
Construction Cost to be incurred (including upgrade costs)	INR 627.0 Mn	As per the information provided by the Client
Estimated Completion Date for Payments of Construction Costs	Q3 FY25	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e., 15% every 3 years Or 5% every year	As prevalent in the market, it is observed that lease agreements are primarily at 5% rent escalations every year. Or at 15% every 3 years

Parameters	Assumptions / Inputs	Remarks / Basis
Market / Marginal Rent Office	INR 71.00 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 55 – 80 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 70 - 80 per sq. ft. per month. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	Not Applicable	
Other Income	1% of base rentals	Analysis of the historical trend of other income suggest a normalized level of other income can be achieved in the future. Accordingly, we have considered other income at 1% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent - Car Parking Space	INR 2,000 per sq. ft. per month	The Grade A offices offers car parking rates in the range of INR 2,000 – 3,500 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the subject property is derived.
Market / Marginal Rent Food Court	Not Applicable	
Market / Marginal Rent Kiosk	INR 230 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Market / Marginal Rent Terrace	Not Applicable	
Other Operating Income		
Market Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Parking Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market

Parameters	Assumptions / Inputs	Remarks / Basis
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 12.29 per sq. ft per month	As given by the Client and as prevalent in the market
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 9.74 per sq. ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 14.3 per sq. ft per annum	As given by the Client
Insurance	INR 2.4 per sq. ft per annum	As given by the Client
Cost Escalation	3% per annum	As prevalent in the market.
CAM Escalation	5% per annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market.
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.00% (post yield shrinkage). Capitalized based on the Net Cash Flows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Table 7.3: Market Value of the Project

Component	Leasable Area (sq. ft.)	Market Value (INR Million)	Percentage Share
Commercial / IT Office Space	5,759,420	55,348.24	89%

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project Mindspace Madhapur (Sundew) located in Madhapur, Hyderabad Telangana, India 500081, comprising total leasable area of 5,759,420 sq. ft is estimated to be **INR 55,348.24 million (INR Fifty-Five Billion Three Hundred Forty-Eight Million Two Hundred and Forty Thousand Only).**

*Note: Based on the inputs provided by the client, the valuation presented is for 89% interest of Mindspace REIT in the project only. The total value of the asset with 100% interest is **INR 62,189.04 million (INR Sixty-Two Billion One Hundred Eighty-Nine Million and Forty Thousand Only)***

Table 7.4: Ready Reckoner rates for the Project

Component	Ready Reckoner Rate
Commercial (Built-Up Area)	Ground floor – INR 7,300 per sq. ft. first & other floors – INR 6,600 per sq. ft.
Land	INR 44,900 per sq. yard.

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

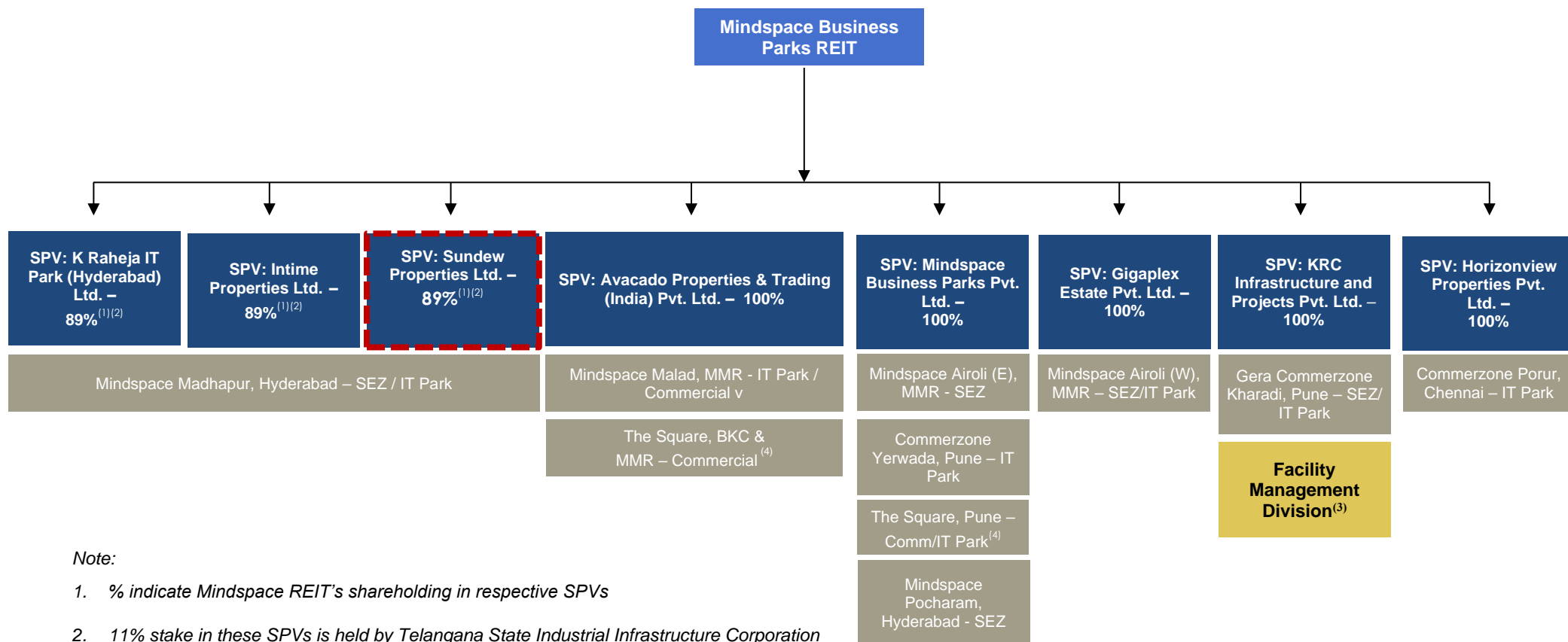
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

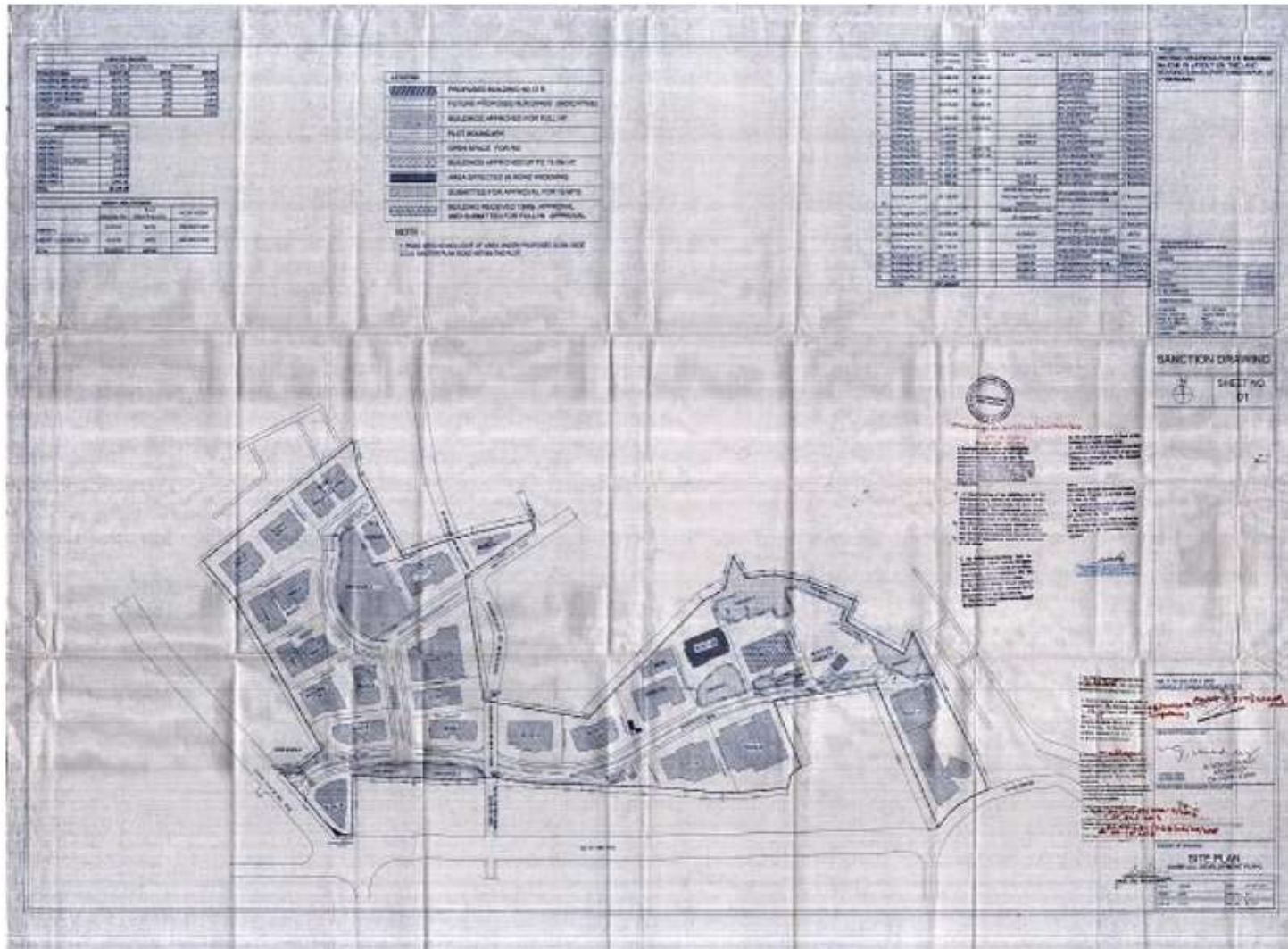
Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2 Layout Plan of the Project



Annexure - 3

Statement of Key Assets within the Project

Table 7.5 Statement of Key Assets within the Project

Building	No. / Name	B11	B12A	B12B	B12C	B12D	B14	B20	B22
Floor	Nos	3B+G+14F	3B+G+14F, G+4FMLCP	B1+B2+G+14F	3B+GF+13F +Terrace cafeteria	3B+GF+1P+13F+ 1TerraceOff	G+2P+8F	G+4.5P+7F	Not Applicable
Warm Shell / Bare shell		Warm Shell	Warm Shell	Warm Shell	Warm Shell	Warm Shell	Warm Shell	Warm Shell	
Air Cooled Chiller	TR	700	350	285	300	NA	350	1 x 300, 1 x 350	
Water Cooled Chiller	TR	2 x 320	2 x 750	2 x 610	2 x 600	NA	2x 600	3 x 600	
No of Elevators /Make	No/ Make	8- Mitsubishi, 6- Thyssenkrup	19- Hitachi	14- Hitachi	18- Toshiba	27-Toshiba	13-Thussenkrup	14- Mitsubishi	
No of DG / Capacity	No. / KVA	5 x 1500	6 x 1650	5 x 1500	6 x 1550	4 x 2000	1 x 775, 4 x 1010	5 x 1650	
No of Transformers / Capacity	No./ KVA	3 x 2500	3 x 2500	3 x 2000	3 x 2500	4 x 2000	2 x 3000	3 x 2500	
Booster Pump	KW / Make	11 - Kirloskar Brothers	2 x 11 - Kirloskar Brothers	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	
Jockey Pump	KW / Make	5.5 - Kirloskar Brothers	7.5 - Kirloskar Brothers	7.5 - Kirloskar Brothers	5.5 - Grounfos	11 - Kirloskar Brothers	14 - Kirloskar Brothers	5.5 - Kirloskar Brothers	
Fire Diesel Pump	KW / Make	110 - Kirloskar Brothers	109.6 - Kirloskar Brothers	109.6 - Kirloskar Brothers	109.6 - Kirloskar Brothers	109.6 - Kirloskar Brothers	97.8 - Kirloskar Brothers	109.6 - Kirloskar Brothers	
Hydrant Pump	KW / Make	110 - Kirloskar Brothers	110 - Kirloskar Brothers	90 - Kirloskar Brothers	93 - Kirloskar Brothers	93 - Kirloskar Brothers	75 - Kirloskar Brothers	90 - Kirloskar Brothers	
Sprinkle Pump	KW / Make	110 - Kirloskar Brothers	110 - Kirloskar Brothers	90 - Kirloskar Brothers	93 - Kirloskar Brothers	93 - Kirloskar Brothers	75 - Kirloskar Brothers	90 - Kirloskar Brothers	
STP Rating	KLD	210	350	260	295.00	644	150	350	

Approvals and NOCs Received for the Project

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

Approvals Received

- a) Approved masterplans for all buildings
- b) All buildings have received OC
- c) Consent to Operate (CFO) valid for all operational buildings, except Building 22
- e) Height Clearance NOC from AAI for all buildings
- f) Fire NOC for all Buildings
- g) Environmental Clearances for all buildings
- h) SEZ Notification
- i) Consent for Establishment (CFE) for all buildings

Approvals Pending

- a) B22- CTO applied on 29/3/23 and yet to receive

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Ready Reckoner Rate for the Built-up Area

REGISTRATION & STAMPS DEPARTMENT Government of Telangana								
Unit Rates - Locality Wise								
District Name : RANGAREDDY			Mandal Name : SRILINGAMPALLE			City/Town/Village : MADHAPUR		
S.No.	Ward-Block	Locality	Apartment value (Rs. per Sq.Ft)			Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
			Ground floor	First floor	Other floors			
1.	0 - 1	RESO IN COMM-1	4,500	4,500	4,500	02(Commercial)	01/02/2022	Get
2.	0 - 1	RESIDENTIAL LOCALITY	3,000	3,000	3,000	01(Residential)	01/02/2022	Get
3.	0 - 2	COMMERCIAL-1	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
4.	0 - 2	MADHAPUR MAIN ROAD	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
5.	0 - 3	COMMERCIAL PROPERTIES IN MADHAPUR RESIDENTIAL	4,500	4,500	4,500	02(Commercial)	01/02/2022	Get
6.	0 - 3	RES PROP ABUTTING TO KOTHAGUDA JN TO MADHAPUR	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
7.	0 - 2	MADHAPUR MAIN RD TO JUBILE HILLS VIA YSR STAT	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
8.	0 - 3	MADHAPUR	3,000	3,000	3,000	01(Residential)	01/02/2022	Get
9.	0 - 3	MADHAPUR MAINROAD	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
10.	0 - 3	MADHAPUR TO JUBILEEHILLS ROAD VIA YSR STATUE	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
11.	0 - 3	MINDSPACE JUNCTION TO INORBIT MALL	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get

Ready Reckoner Rate for the Land

REGISTRATION & STAMPS DEPARTMENT Government of Telangana								
Unit Rates - Locality Wise								
District Name : RANGAREDDY			Mandal Name : SRILINGAMPALLE			City/Town/Village : MADHAPUR		
S.No.	Ward-Block	Locality	Land Value (Rs. per Sq.Yard)	Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates		
1.	0 - 1	RESO IN COMM-1	32,200	02(Commercial)	01/02/2022	Get		
2.	0 - 1	RESIDENTIAL LOCALITY	32,200	01(Residential)	01/02/2022	Get		
3.	0 - 2	COMMERCIAL-1	44,900	01(Residential)	01/02/2022	Get		
4.	0 - 2	MADHAPUR MAIN ROAD	44,900	02(Commercial)	01/02/2022	Get		
5.	0 - 3	COMMERCIAL PROPERTIES IN MADHAPUR RESIDENTIAL	32,200	02(Commercial)	01/02/2022	Get		
6.	0 - 3	RES PROP ABUTTING TO KOTHAGUDA JN TO MADHAPUR	44,900	01(Residential)	01/02/2022	Get		
7.	0 - 2	MADHAPUR MAIN RD TO JUBILE HILLS VIA YSR STAT	44,900	01(Residential)	01/02/2022	Get		
8.	0 - 3	MADHAPUR	32,200	01(Residential)	01/02/2022	Get		
9.	0 - 3	MADHAPUR MAINROAD	44,900	02(Commercial)	01/02/2022	Get		
10.	0 - 3	MADHAPUR TO JUBILEEHILLS ROAD VIA YSR STATUE	44,900	02(Commercial)	01/02/2022	Get		
11.	0 - 3	MINDSPACE JUNCTION TO INORBIT MALL	44,900	02(Commercial)	01/02/2022	Get		

Annexure - 6

Cashflow of the Project

Table 7.6 Discounted Cash Flow (INR Mn) for Completed Building (11,12A, 12B, 12C, 12D 14 and 20)

Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred (including Upgrade)		242.11	247.00	-	-	-	-	-	-	-	-	-
A	Base Rental		3,998.43	4,383.91	4,614.00	4,859.91	5,114.91	5,378.37	5,924.79	6,136.72	6,483.26	7,004.24	7,410.23
B	Car Parking Income		61.51	61.77	61.31	59.95	59.89	60.40	62.17	60.75	73.81	93.89	100.64
C	Fit-out rentals/ tenant improvements		259.96	265.60	233.53	54.77	29.23	5.72	-	-	-	-	-
D	Facility Rentals		4,319.90	4,711.29	4,908.84	4,974.63	5,204.03	5,444.49	5,986.96	6,197.47	6,557.07	7,098.13	7,510.87
E	Maintenance services income		848.31	897.42	942.29	989.40	1,038.87	1,090.82	1,145.36	1,202.63	1,262.76	1,325.90	1,392.19
F	Other Operating Income		39.98	43.84	46.14	48.60	51.15	53.78	59.25	61.37	64.83	70.04	74.10
G	Revenue from Operations		5,208.20	5,652.55	5,897.27	6,012.63	6,294.05	6,589.09	7,191.56	7,461.46	7,884.66	8,494.06	8,977.16
	Direct Operating Expenses												
H	Maintenance services Expenses		691.17	725.73	762.02	800.12	840.12	882.13	926.23	972.55	1,021.17	1,072.23	1,125.84
I	Property Tax		82.71	85.19	87.75	90.38	93.09	95.89	98.76	101.72	104.78	107.92	111.16
J	Insurance Premium		13.90	14.32	14.75	15.19	15.64	16.11	16.60	17.10	17.61	18.14	18.68
K	Net Operating Income (NOI)		4,420.42	4,827.31	5,032.76	5,106.94	5,345.19	5,594.96	6,149.97	6,370.10	6,741.10	7,295.78	7,721.48
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	95,553.31	-
	Indirect Operating Expenses												
L	Brokerage Fees		29.86	13.45	6.10	13.37	33.98	64.07	23.22	125.17	137.34	75.31	-
M	Property Management Fee		152.60	166.43	173.42	175.81	183.93	192.44	211.62	219.06	231.77	250.89	265.47
N	Other operational expenses		81.20	88.91	93.51	98.40	103.50	108.78	119.74	123.95	131.14	141.96	150.22
O	Net Cashflows		3,914.65	4,311.51	4,759.73	4,819.37	5,023.78	5,229.68	5,795.39	5,901.92	6,240.85	102,380.9	7,305.79

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

Table 7.7 Discounted Cash Flow (INR Mn) for Building 22

Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		138.00	-	-	-	-	-	-	-	-	-	-
A	Base Rental		88.67	92.24	97.54	97.54	101.46	107.29	107.29	111.61	118.02	118.02	122.77
B	Car Parking Income		-	-	-	-	-	-	-	-	-	-	-
C	Fit-out rentals/ tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		88.67	92.24	97.54	97.54	101.46	107.29	107.29	111.61	118.02	118.02	122.77
E	Maintenance services income		-	-	-	-	-	-	-	-	-	-	-
F	Other Operating Income		-	-	-	-	-	-	-	-	-	-	-
G	Revenue from Operations		88.67	92.24	97.54	97.54	101.46	107.29	107.29	111.61	118.02	118.02	122.77
	Direct Operating Expenses												
H	Maintenance services Expenses		-	-	-	-	-	-	-	-	-	-	-
I	Property Tax		1.87	1.93	1.98	2.04	2.11	2.17	2.23	2.30	2.37	2.44	2.51
J	Insurance Premium		0.31	0.32	0.33	0.34	0.35	0.36	0.38	0.39	0.40	0.41	0.42
K	Net Operating Income (NOI)		86.48	89.99	95.22	95.15	99.00	104.76	104.68	108.92	115.25	115.17	119.84
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	1,482.96	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	-	-	-	-	-	-	-	-	-	-
M	Property Management Fee		3.10	3.23	3.41	3.41	3.55	3.76	3.76	3.91	4.13	4.13	4.30
N	Other operational expenses		1.77	1.84	1.95	1.95	2.03	2.15	2.15	2.23	2.36	2.36	2.46
O	Net Cashflows		(56.39)	84.92	89.85	89.78	93.42	98.86	98.78	102.78	108.76	1,591.63	113.08

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

Annexure - 7

Material Litigations

1. Title litigation and Irregularities

The Office of the Land Reforms Tribunal Cum Deputy Collector & Special Grade Revenue Divisional Officer, Attapur ("**Tribunal**") had, by letter dated August 27, 2009, sought information from Sundew under Section 8(2) of the Andhra Pradesh Land Reforms (Ceiling on Agriculture Holdings) Act, 1973 ("**APLRAC**") in respect of the entire land parcel at Mindspace Madhapur (Sundew).

The Revenue Department of the Government of Andhra Pradesh forwarded a Memo dated September 5, 2009 for furnishing of certain information to the Government of Andhra Pradesh, including information requested by the aforesaid letter dated August 27, 2009. Sundew has filed a detailed response on September 30, 2009 stating that (a) the land was originally granted by the Government of Andhra Pradesh to KRIT which was a joint venture company with APIIC, (b) the land was vested in Sundew by way of demerger order of the Andhra Pradesh High Court, (c) the land has been declared as an SEZ and is therefore exempt from the local laws; (d) the land was shown as a non-agricultural land in the master plan of Hyderabad and is therefore not "land" covered under the APLRAC. The Tribunal issued a final notice to Sundew in January 2012 requesting Sundew to submit a declaration for full and correct particulars of the lands held by Sundew. In September 2009, Sundew also submitted a copy of the order dated August 9, 2012, which was passed by the Hon'ble High Court of Andhra Pradesh ("**High Court**") in a similar matter (being Writ Petition No. 19300/2012 filed by Neogen Properties Pvt. Ltd.) wherein a stay was granted by the High Court until further orders. The matter is currently pending before the Tribunal.

2. Criminal Matters

There are no pending criminal matters against Sundew.

3. Regulatory Actions

Pursuant to a notice dated April 2, 2022 issued by the Commissioner of Police to M/s Genext Hardware & Parks Pvt. Ltd. in connection with payments made to certain companies belonging to Mr. Jitendra Chandralal Navalani, Sundew Properties Ltd ("**Sundew**") was requested to furnish certain clarifications/details which were submitted. Jitendra Navalani filed Writ Petition in the Hon'ble Bombay High Court wherein Sundew was also joined as Respondent. By an order dated July 6, 2022, the Hon'ble High Court disposed off the said Writ Petition in view of the statement made by the public prosecutor that the preliminary inquiry was closed. There was a separate Writ Petition filed by the Directorate of Enforcement against the State of Maharashtra. The Bombay High Court by its order dated November 10, 2022, disposed off the said Writ Petition as withdrawn in view of the affidavit filed by the State of Maharashtra. Subsequently, the Addl Commissioner of Police, Anti-Corruption Bureau issued similar notice dated December 5, 2022 addressed to Sundew seeking details/information. Accordingly, representatives of Sundew submitted the required details/information etc. by letters dated December 14, 2022 and December 19, 2022. Thereafter there is no further communications or requisitions in the matter. As per publicly available information we understand that the ACB has closed the case by classifying it as C summary, where the criminal case was registered due to mistake of facts or the offence complained about is of a civil nature.

KRIT had proposed a rights issue of shares in which Andhra Pradesh Industrial Infrastructure Corporation ("**APIIC**") (now, TSIIC) abstained from subscribing to the rights shares. Consequently, upon closure of the rights issue subscription by the other shareholders of KRC group, the stake of APIIC in KRIT reduced from 11%. Thereafter, upon demerger of certain undertakings of KRIT into Intime and Sundew, the APIIC's stake reduced in each of these entities instead of what it was initially at 11%. Such rights issue of shares was undertaken in

compliance with applicable law and agreement between the parties, and after KRIT had waited over one year for APIIC to decide.

Subsequently, APIIC / GoAP disputed such dilution of their stake in KRIT, Intime and Sundew, which led to an inquiry by Vigilance and Enforcement Department of GoAP against the Government Officials and correspondingly, KRIT. APIIC issued a letter dated July 10, 2012 to KRIT, referring to a report of vigilance and enforcement department ("**VED Report**") in relation to the Mindspace Madhapur project. Subsequently, the equity stake of APIIC was restored to 11% in KRIT, Intime and Sundew together with compensating APIIC for any loss of corporate benefits in the intervening period. The VED Report alleged certain irregularities, which include alleging a financial loss to APIIC and GoAP pursuant to sale of the land to its sister concerns and sale of constructed area, at a nominal price, dilution of 11% equity stake of APIIC and loss of immovable asset base to APIIC due to the dilution of equity.

KRIT denied such irregularities, violations or financial loss caused to APIIC /GoAP. While denying the loss alleged by APIIC, KRIT, Intime and Sundew provided a joint undertaking dated February 14, 2014 to APIIC *inter alia* undertaking (i) to pay the amounts to APIIC in respect of APIIC's claim of losses, due to any differences in values pertaining to the sale transactions in Mindspace Madhapur project; (ii) that payments shall be made by KRIT within 30 days of receipt of such written demand from APIIC; and (iii) that KRIT shall be bound by the decision of APIIC and comply with the same within the stipulated timelines.

KRIT has further provided an undertaking dated October 24, 2016 to APIIC, *inter alia* undertaking to pay losses incurred by Government of Telangana /APIIC as per the VED Report and to maintain the agreed shareholding of the Government of Telangana or APIIC in KRIT, Intime and Sundew post conversion of KRIT to public limited company and the Government of Telangana/ APIIC will not be required to infuse additional funds to maintain its equity stake in KRIT, Intime and Sundew.

While KRIT has attempted to make payments to the extent of the loss incurred by APIIC along with interest, by letter dated April 23, 2019, APIIC has confirmed to KRIT that it will be informed about the quantum of the amount to be paid, once the quantum of loss is determined by an independent third party appointed for such purpose. KRCPL, by way of its letter dated December 9, 2019, has undertaken that it shall assume any financial liability that KRIT, Intime or Sundew may incur in this behalf.

4. Material Civil/ Commercial Litigation

Sundew filed an application before the then Andhra Pradesh Electricity Regulatory Commission (now Telangana State Electricity Regulatory Commission ("**TSERC**") on March 10, 2014 requesting TSERC to take on record the 'deemed distribution licensee' status of Sundew for the development, operation and maintenance of SEZ at Madhapur, Hyderabad. TSERC passed an order dated February 15, 2016 ("**TSERC Order**") identifying Sundew as a deemed distribution licensee for a period of 25 years with effect from April 1, 2016 subject to *inter alia* Sundew obtaining capital infusion from its promoters before March 31, 2016. Sundew filed an application dated March 16, 2016 ("**Interlocutory Application**") before TSERC seeking modification of condition in respect of equity infusion and extension of time to comply with the same. TSERC passed an order dated August 4, 2016 directing compliance with TSERC Order and denying extension of time and also directed the existing licensee to continue the power supply till September 30, 2016. TSERC, by its letter dated September 22, 2016, has granted extension of time to continue power supply till the state transmission utility grants network connectivity and open access. Aggrieved, Sundew filed a petition ("**Review Petition**") before TSERC on August 26, 2016, seeking *inter alia* review of the order dated August 4, 2016. Additionally, Sundew also filed an appeal to the Appellate Tribunal for Electricity ("**APTEL**") challenging the TSERC Order and in relation to the conditions imposed by TSERC which was dismissed on September 27, 2019. The matter is currently pending before the TSERC with respect to the review petition filed by Sundew. Aggrieved by the order dated September 27, 2019, Sundew has also filed a civil appeal on November 15, 2019 before

the Supreme Court of India. By an order dated February 22, 2021 passed in the civil appeal, the Supreme Court of India directed TSERC to hear the pending applications/ petitions filed by Sundew before TSERC, to list the matter for final hearing and granted liberty to the parties to file their written note of arguments. The matter before TSERC is listed for hearing on January 9, 2023. The matter before TSERC is listed for hearing on April 4, 2023. The matter before the Supreme Court of India is listed for hearing on April 19, 2023.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 specialized information furnished by the third-party organizations, and this is believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
8. 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 except set out herein.
9. 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

Mindspace Madhapur (K Raheja IT Park Limited) Madhapur, Hyderabad

Telangana, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name	Mindspace Madhapur (KRIT), Madhapur, Hyderabad, Telangana, India 500 081
Property Address	Mindspace Madhapur, Titus Towers, TSII software layout, Madhapur, Hyderabad, Telangana, 500081
Land Area	48.43 Acres
Brief Description	<p>The Project is located in Madhapur micro market in the Western part of Hyderabad; it is located adjacent to Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport. The proposed Metro Phase 2 would connect Raidurg to Hyderabad International Airport, which would further improve the connectivity of the Project.</p> <p>The Project is developed as Grade A IT park comprises of 5.12 million sq. ft. of leasable area spread across ten (10) IT Buildings and ~ 1.79 acres of land earmarked for future development.</p> <ul style="list-style-type: none"> Completed and operational buildings - 2A, 2B, 3A, 3B, 4 A&B, 5A, 10, Under Construction buildings - 1A and 1B (redevelopment buildings), and Experience Centre with collective leasable area of ~ 1.45 Mn accessible via 36 m wide internal road. Future Development buildings - 7 and 8 (planned redevelopment of buildings starting in Q3 FY24 with current leasable area of c. 0.36 Mn sq. ft.) with leasable area of ~ 1.61 Mn sq. ft. (post redevelopment) accessible via 36 m wide internal road. <p>The Project has excellent visibility along the access road and has 3 entry and exit points, additionally the project has ~ 1.79 acre of land earmarked for future development is valued using 'Government Benchmark Price / Guideline Value by the valuer.</p> <p>The property is surrounded by mixed use development comprising residential, retail, and commercial developments.</p>

Asset Details Leasable area details as shared by the Client is given below:

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 2A	271,568
2.	Building 2B	423,700
3.	Building 3A	200,720
4.	Building 3B	243,228
5.	Building 4 A&B	445,156
6.	Building 5A	113,665
7.	Building 10	340,412
8.	Kiosk Area	10,312
9	Building 1A & 1B (Re-Development, under-construction)	1,328,708
10	Building 7 & 8 (Re-development, Future Redevelopment)	1,610,601
11	Experience Center (Under-construction))	129,439
	Total Leasable Area	5,117,508

The Project has 10 buildings, an experience center and ~ 1.79 acres of land earmarked with development potential of 500,000 sq. ft. leasable area, forming part of the larger IT park, and

designated for IT/ITES development. However, the land is currently under litigation, the Valuer has valued the same at government benchmarked price (allotment rate).

Location Map



Key Assumptions

The table below summarizes key Valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial Office/IT Park
Current Status	Operational, Under Construction and Future Development
Total Leasable Area	5,117,508 sq. ft.
Revenue Assumptions	
In-Place Rent	INR 64.8 per sq. ft. per Month
Market / Marginal Rent	INR 71 per sq. ft. per Month
Parking Rent	INR 2,000 per CPS per Month
Financial Assumptions	
Exit Cap Rate	8.00%
Discount Rate / WACC	11.75%

Market Value

For Completed Project - **INR 19,747.53 million** (INR Nineteen Billion Seven Hundred Forty-Seven Million Five Hundred and Thirty Thousand Only)

For Under construction, Future Redevelopment, and land Projects **INR 10,729.13 million** (INR Ten Billion Seven Hundred Twenty-Nine Million One Hundred and Thirty Thousand Only)

*Note: Based on the inputs provided by Client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is **INR 34,243.45 million** (INR Thirty-Four Billion Two Hundred Forty-Three Million Four Hundred and Fifty Thousand Only)*

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LIST OF ABBREVIATIONS

BPO	Business Process Outsourcing
CBD	Central Business District
DCR	Development Controls & Regulations
GHMC	Greater Hyderabad Municipal Corporation
FAR	Floor Area Ratio
HMDA	Hyderabad Metropolitan Development Authority
INR	Indian National Rupees
IT/ITES	Information Technology/IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
NH	National Highway
ORR	Outer Ring Road
PBD	Peripheral Business District
RICS	Royal Institution of Chartered Surveyors
SEBI	Securities and Exchange Board of India
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft.	square feet
sq. m.	square metre
REIT	Real Estate Investment Trust
TSIIC	Telangana State Industrial Infrastructure Corporation
Y-o-Y	Year-on-Year

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a Commercial Office/IT Park project named '**Mindspace Madhapur (KRIT)**' located in **Madhapur, Hyderabad**, Telangana, India (hereinafter referred to as the 'Project'). The Project is an operational IT Park having leasable area of about ~ 5.12 million sq. ft. and ~ 1.79 acre of land earmarked for future development. As instructed by the Client and based on information provided, the following blocks/ buildings have been considered under the purview of this valuation exercise along with the land earmarked for future development.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 2A	271,568
2.	Building 2B	423,700
3.	Building 3A	200,720
4.	Building 3B	243,228
5.	Building 4 A&B	445,156
6.	Building 5A	113,665
7.	Building 10	340,412
8.	Kiosk Area	10,312
9.	Building 1A & 1B	1,328,708
10.	Building 7 & 8	1,610,601
11.	Experience Center	129,439
	Total Leasable Area	5,117,508

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port

World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation (“IOVRVF”), is a Fellow of Royal Institution of Chartered Surveyors (“RICS”), Fellow and Lifetime Member of Institute of Valuers, India (“IOV”), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER’S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The project was inspected on 01 April 2023 by the Valuer in the presence of client-nominated representative, and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational space, (other than the land portions of future development portion which has been valued using Comparable Sales / Quoted Instances Method under 'Market Approach'), the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted a exit cap rate of 8% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective contribution to the total capital of the company (WACC).

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate considering the location of Project and market dynamics of the micro market, has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

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 for under-construction / future development properties. The Valuer has considered a risk premium of 125bps, to derive the WACC of 13% for under-construction / future development properties.

This derived discount rate was found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Mindspace Madhapur (KRIT), Madhapur, Hyderabad, Telangana, India 500 081																																							
Property Address	Mindspace Madhapur, Titus Towers, TSIIIC software layout, Madhapur, Hyderabad, Telangana, 500081																																							
Land Area	48.43 acres																																							
Brief Description	<p>The Project is located in Madhapur micro market in the Western part of Hyderabad; it is located adjacent to Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport. The proposed Metro Phase 2 would connect Raidurg to Hyderabad International Airport, which would further improve the connectivity of the Project.</p> <p>The Project is developed as Grade A IT park comprises of 5.12 Mn sq. ft. of leasable area spread across ten (10) IT Buildings and ~ 1.79 acres of land earmarked for future development.</p> <ul style="list-style-type: none">Completed and operational buildings - 2A, 2B, 3A, 3B, 4 A&B, 5A, 10,Under Construction buildings - 1A and 1B (redevelopment buildings), and Experience center with collective leasable area of ~ 1.45 Mn accessible via 36 m wide internal road.Future Development buildings - 7 and 8 (planned redevelopment buildings) with leasable area of ~ 1.61 Mn sq. ft. accessible via 36 m wide internal road. <p>The Project has excellent visibility along the access road and has 3 entry and exit points., additionally the project has ~ 1.79 acre of land for future development is valued using 'Government Benchmark Price / Guideline Value by the valuer.</p>																																							
Asset Details	<p>1. Leasable area details as shared by the Client is given below:</p> <table><tr><th>Sr. No.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>Building 2A</td><td>271,568</td></tr><tr><td>2.</td><td>Building 2B</td><td>423,700</td></tr><tr><td>3.</td><td>Building 3A</td><td>200,720</td></tr><tr><td>4.</td><td>Building 3B</td><td>243,228</td></tr><tr><td>5.</td><td>Building 4 A&B</td><td>445,156</td></tr><tr><td>6.</td><td>Building 5A</td><td>113,665</td></tr><tr><td>7.</td><td>Building 10</td><td>340,412</td></tr><tr><td>8.</td><td>Kiosk Area</td><td>10,312</td></tr><tr><td>9.</td><td>Building 1A & 1B</td><td>1,328,708</td></tr><tr><td>10.</td><td>Building 7 & 8</td><td>1,610,601</td></tr><tr><td>11.</td><td>Experience Center</td><td>129,439</td></tr><tr><td></td><td>Total Leasable Area</td><td>5,117,508</td></tr></table> <p>2. ~ 1.79 acres of land earmarked for future development with built potential of 500,000 sq. ft. leasable area.</p>	Sr. No.	Building Name	Leasable Area (sq. ft.)	1.	Building 2A	271,568	2.	Building 2B	423,700	3.	Building 3A	200,720	4.	Building 3B	243,228	5.	Building 4 A&B	445,156	6.	Building 5A	113,665	7.	Building 10	340,412	8.	Kiosk Area	10,312	9.	Building 1A & 1B	1,328,708	10.	Building 7 & 8	1,610,601	11.	Experience Center	129,439		Total Leasable Area	5,117,508
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	Total Leasable Area	5,117,508																																						

Valuation Approaches	<p>Since 7 buildings are completed and operational and 2 Buildings are under construction and 1 Future Redevelopment. The estimate of Market Value is prepared using ‘Discounted Cash Flow Approach’ using Rent Reversion</p> <p>For land earmarked for future development, the estimate of Market Value is prepared using ‘Government benchmarked price / Guideline Value’ method.</p>																					
Nature of the Interest by the Client	89% freehold interest in the Project as informed by the Client																					
Purchase Price of the Project	<p>INR 20,902.55 million, as given by the Client</p> <p><i>Note: Based on the inputs provided by client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is INR 23,486.01 million</i></p>																					
Historical Valuation of the Project in 3 Previous Years	<p>Below table summarizes historical valuation of the Project as given by the Client:</p> <table><tr><th>Sr. No.</th><th>Date of Valuation</th><th>Market Value (INR Million) (Completed, Under Construction / Future Development)</th></tr><tr><td>1.</td><td>30-Sep-2022</td><td>28,705 (23,422, 5,283)</td></tr><tr><td>2.</td><td>31-Mar-2022</td><td>27,172 (22,665, 4,507)</td></tr><tr><td>3.</td><td>30-Sep-2021</td><td>26,691 (21,957, 4,734)</td></tr><tr><td>4.</td><td>31-Mar-2021</td><td>24,373 (23,705, 668)</td></tr><tr><td>5.</td><td>30-Sep-2020</td><td>25,235 (24,606, 629)</td></tr><tr><td>6.</td><td>31-Mar-2020</td><td>23,970 (23,646, 324)</td></tr></table> <p><i>Note: The above figures are for 89% interest of Mindspace REIT in the Project.</i></p>	Sr. No.	Date of Valuation	Market Value (INR Million) (Completed, Under Construction / Future Development)	1.	30-Sep-2022	28,705 (23,422, 5,283)	2.	31-Mar-2022	27,172 (22,665, 4,507)	3.	30-Sep-2021	26,691 (21,957, 4,734)	4.	31-Mar-2021	24,373 (23,705, 668)	5.	30-Sep-2020	25,235 (24,606, 629)	6.	31-Mar-2020	23,970 (23,646, 324)
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6.	31-Mar-2020	23,970 (23,646, 324)																				
Ready Reckoner Rate and TSIIC Allotment Rate	<p>For Built-up Area</p> <p>Ground floor – INR 7,300 per sq. ft. and first & other floors - INR 6,600 per sq. ft.</p> <p>Land Rate – INR 44,900 per sq. yd.</p> <p>Land Rate (as per TSIIC) – INR 120,000 per sq. m.</p>																					
Date of Valuation	31-Mar-2023																					
Date of Inspection	01-Apr-2023																					
Market Value as on 31-Mar-2023	<p>For Completed Project - INR 19,747.53 million (INR Nineteen Billion Seven Hundred Forty-Seven Million Five Hundred and Thirty Thousand Only)</p> <p>For Under construction, Future Redevelopment, and land Projects INR 10,729.13 million (INR Ten Billion Seven Hundred Twenty-Nine Million One Hundred and Thirty Thousand Only)</p> <p><i>Note: Based on the inputs provided by client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is INR 34,243.45 million (INR Thirty-Four Billion Two Hundred Forty-Three Million Four Hundred and fifty Thousand Only)</i></p>																					
Matters Affecting the Property and its Value	Please refer to Chapter 7 of this Valuation Report																					

**Assumptions,
Disclaimers,
Limitations and
Qualifications**

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

Prepared by**KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164)**

Represented through its Director

Mr. Sachin Gulaty FRICS FIV FIIA

IBBI/RV/02/2021/14284

**Name:** Sachin Gulaty FRICS FIV FIIA**Designation:** Director**Valuer Registration No.:** IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5.1: Details of the Project Site and/or Project

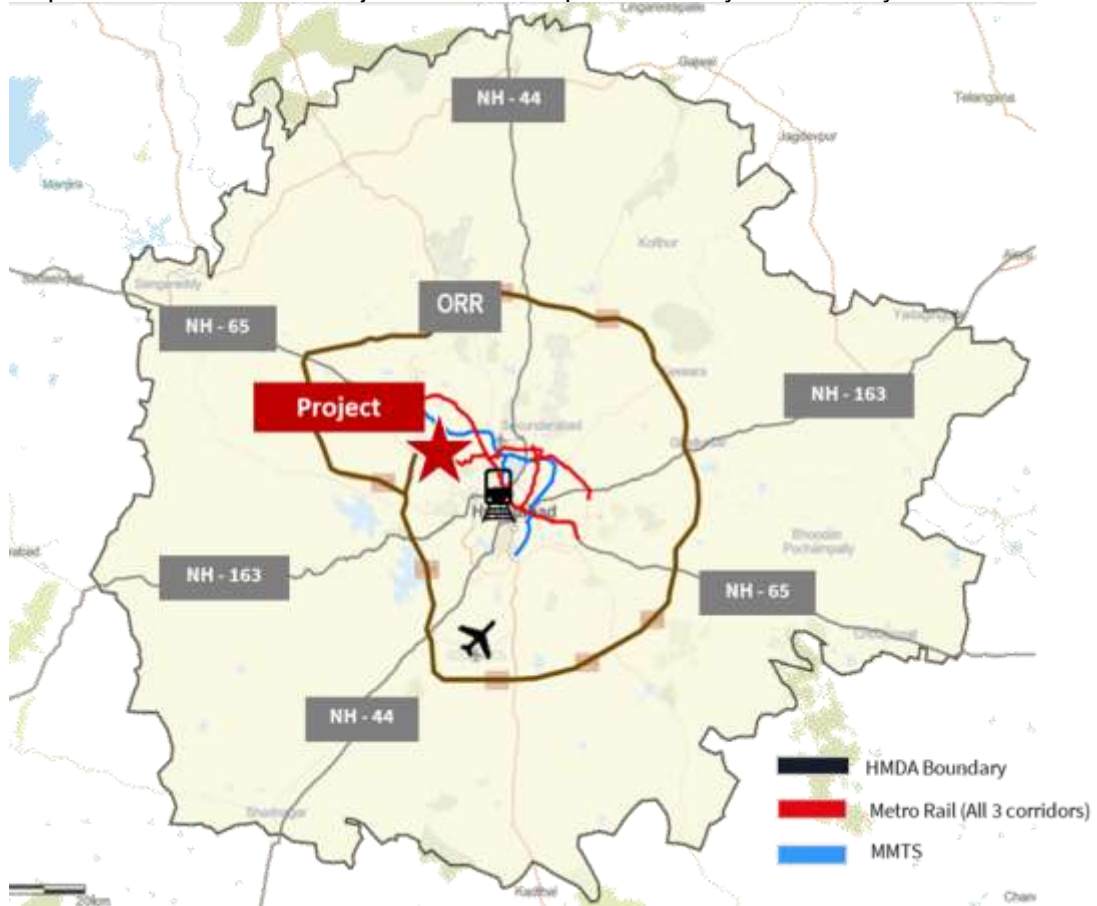
DETAILS OF PROPERTY		
Property Name	Mindspace Madhapur (KRIT), Madhapur, Hyderabad, Telangana, India 500 081	
Property Address	Mindspace Madhapur, Titus Towers, TSIC software layout, Madhapur, Hyderabad, Telangana, 500081	
Land Area	48.43 acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sr. No.	Building Name
	1.	Building 2A
	2.	Building 2B
	3.	Building 3A
	4.	Building 3B
	5.	Building 4 A&B
	6.	Building 5A
	7.	Building 10
	8.	Kiosk Area
	9	Building 1A & 1B
	10	Building 7 & 8
	11	Experience Center
	Total Leasable Area	
	5,117,508	
Based on the site inspection, the Project has 10 buildings (7 Completed and 2 Under construction and 1 under future redevelopment) and ~ 1.79 acre of land for future development.		
Access	Accessible through approx. 60 m. wide Hitech City Main Road and 36 m. wide Internal Road	
Frontage	Approximately 180 m. frontage along Hitech City Main Road	
Shape and Visibility	Regular in shape. Relatively flat terrain. Excellent visibility from Hitech city Main Road	
Approval Status	Project has requisite approvals in place as confirmed by the Client.	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The Project is located in Madhapur in the Western part of Hyderabad. It is located adjacent to the Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport.

The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Hyderabad City



Source: Real Estate Market Research & Analysis; JLL, March 2023

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Raidurg Metro station	Adjacent to the Mindspace Park
Cyber Tower	~ 1.3
Inorbit Mall	~ 1.4
Outer Ring Road (ORR)	~ 2.5
Secunderabad Railway station	~ 19
Hyderabad International Airport	~ 31

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as IT Park and is located in Madhapur micro market of Hyderabad. It is located accessible through 60 m wide road from HITEC City main road and 36 m internal road. In terms of Project Site attributes, the Project Site is regular in shape and has relatively flat terrain. The Project has excellent frontage and visibility along the abutting road and the overall IT Park has 3 entry / exit points. The Project is regular in shape with fairly even topography.

The Project is spread across 48.43 acres of land and spread across ten buildings with total leasable area of ~ 5.12 million sq. ft. and ~ 1.79 acres of land earmarked for future development.

The Project micro market has excellent social and physical infrastructure and is the most sought-after micro market for Commercial office in Hyderabad.

The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments



Source: Real Estate Market Research & Analysis; JLL, March 2023

The table below presents the boundary/edge conditions of the Project (overall Mindspace Park).

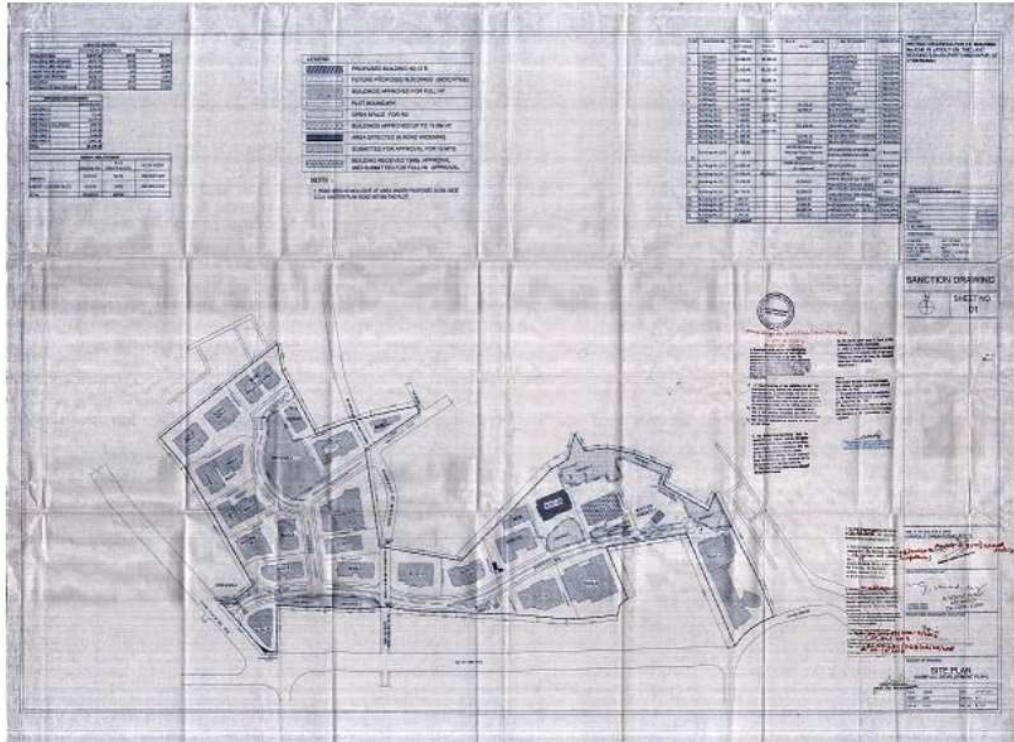
Table 5.3: Project Site and its Site Boundaries

North	Private Property
South	Private Property and 36 m wide road
West	60 m wide road (HITEC City main road)
East	Private Property and 24 m wide road

Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project is predominantly surrounded by Grade A commercial / office, residential, retail and hospitality developments. Map on the following page presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, March 2023

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 5.12 million sq. ft. spread across ten buildings i.e., Building (2A, 2B, 3A, 3B, 4 A&B, 5A, 10, 1A, 1B, 7, 8 and Experience center). Building 2A, 2B, 3A, 3B, 4 A&B, 5A, 10 are completed & operational and Buildings 1A, 1B, and Experience center are Under construction and Buildings 7 & 8 are under Future redevelopment, additionally the project has ~ 1.79 acres of land earmarked for future development. The following table presents the details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 2A	271,568
2.	Building 2B	423,700
3.	Building 3A	200,720
4.	Building 3B	243,228
5.	Building 4 A&B	445,156
6.	Building 5A	113,665
7.	Building 10	340,412
8.	Kiosk Area	10,312
9.	Building 1A & 1B	1,328,708
10.	Building 7 & 8	1,610,601
11.	Experience Center	129,439
Total Leasable Area		5,117,508

Source: Client, March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Total utility areas and internal roads
- Total open spaces.

The table below presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project - Completed Portion

Particulars	Description		
Name of the Entity	K Raheja IT park (Hyderabad) Limited		
Interest owned by Mindspace REIT	Project is wholly owned by K Raheja IT Park (Hyderabad) Ltd, which is 89% owned and controlled by Mindspace REIT while balance 11% is held by Telangana State Industrial Infrastructure Corporation (TSIIC)		
Land Extent	48.43 Acres		
Asset Type	IT Park with Non-SEZ buildings		
	~ 1.79 acres of land earmarked for future development		
Sub-Market	Madhapur		
Approved and Existing Usage	IT Offices		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sr. No.	Building Name	Age of the Building
	1.	Building 2A	~ 15 years 7 months
	2.	Building 2B	~ 16 years 2 months
	3.	Building 3A	~ 17 years
	4.	Building 3B	~ 16 years 2 months
	5.	Building 4 A&B	~ 13 years 4 months
	6.	Building 5A	~ 18 years 9 months
	7.	Building 10	~ 16 years 2 months
Current Status	Operational		
Approvals Status	List of approvals are specified in annexure 4		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	2.05 million sq. ft.		
Occupied Area	1.83 million sq. ft.		
Committed Area	1.84 million sq. ft.		
Occupancy ^{3/}	89.5%		
Committed Occupancy ^{4/}	89.9%		
Number of Tenants	28		

^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 2.05 million sq. ft. (excludes leasable area for building 7 and 8 which is proposed for redevelopment)

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

Table 5.6: Key Asset Specific Information of the Project - Under Construction Portion

Particulars	Description		
Name of the Entity	K Raheja IT park (Hyderabad) Limited		
Interest owned by Mindspace REIT	Project is wholly owned by K Raheja IT Park (Hyderabad) Ltd, which is 89% owned and controlled by Mindspace REIT while balance 11% is held by Telangana State Industrial Infrastructure Corporation (TSIIC)		
Land Extent	48.43 Acres		
Asset Type	Commercial / IT Park with Non-SEZ buildings and Ancillary		
Sub-Market	Madhapur		
Approved and Existing Usage	Commercial / IT Offices and Ancillary		
Age of Building based on the Date of Occupancy Certificate	Sr. No.	Building Name	Age of the Building
	1.	Building 1A &1B	Under Construction
	2.	Building 7 & 8	Future Redevelopment
	3.	Experience center	Under Construction
Current Status	Under construction (1A and 1B – Completion Q3 FY26, excavation under progress, and Experience Center - excavation in progress completion in Q2 FY25) and future redevelopment (7&8, construction to commence in Q3 FY24, completion in Q3 FY27)		
Approvals Status	List of approvals are specified in annexure 4		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	3.07 million sq. ft.		
Occupied Area	0 million sq. ft.		
Committed Area	0 million sq. ft.		
Occupancy ^{3/}	00%		
Committed Occupancy ^{4/}	00%		
Number of Tenants	Not Applicable as Under Construction		

^{1/} Refer company structure set out in Annexure 1

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

5.5 PROJECT INSPECTION

The Project is part of a larger campus having total leasable area of 5,117,508 sq. ft. spread across ten (10) Buildings (2A, 2B, 3A, 3B, 4 A&B, 5A, 10, 1A, 1B, 7, 8 and Experience center) and additional ~ 1.79 acres of land is earmarked for future development. Buildings (2A, 2B, 3A, 3B, 4 A&B, 5A, 10) are completed & operational and buildings 1A, 1B, and Experience Center are currently under Construction, buildings 7 & 8 are under future redevelopment. The Property was inspected on 01 April 2023 by the Valuer.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance within the operational buildings. The utility areas also appeared well maintained, visually. No instances of any major logging or water accumulation

were observed during the inspections. The inspections 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.

Some of the photographs of the Project and surroundings are given below

	
Building 10	Kiosk
	
Access Road	Buildings Under Construction

5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details and age of structure and type of building is summarized in table below: -

Table 5.7: Area Details and Age of Structure

Sr. No.	Building Name	Leasable Area (In sq. ft.)	Usage Type	Status	Age of Building
1	Building 2A	271,568	Non - SEZ	Completed	~ 15 years 7 months
2	Building 2B	423,700	Non – SEZ	Completed	~ 16 years 2 months
3	Building 3A	200,720	Non – SEZ	Completed	~ 17 years
4	Building 3B	243,228	Non – SEZ	Completed	~ 16 years 2 months
5	Building 4 A&B	445,156	Non – SEZ	Completed	~ 13 years 4 months
6	Building 5A	113,665	Non - SEZ	Completed	~ 18 years 9 months

Sr. No.	Building Name	Leasable Area (In sq. ft.)	Usage Type	Status	Age of Building
7	Building 10	340,412	Non - SEZ	Completed	~ 16 years 2 months
8	Building 1A & 1B	1,328,708	Non - SEZ	Under Construction (Re-development)	Under Construction
9	Building 7 & 8	1,610,601	Non - SEZ	Future Re-development	Future Redevelopment
10	Experience Center	129,439	Non - SEZ	Under Construction	Under Construction

Developable Area of the Project

The total site area of the project is ~ 48.43 Acres with total leasable area of 5.12 Mn sq ft under 10 Buildings which includes under construction buildings and Experience center and ~ 1.79 acres of land earmarked for future development.

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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. Hyderabad where the Project is located falls in Seismic Zone II with low risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. Project is regular in shape with fairly even topography. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the valuer, relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS**Tenant Profile of Top 10 Tenants**

As on 31st March 2023, The Project has 28 tenants which include companies like Smartworks, BA continuum, Verizon, DXC Technologies, Qualcomm India etc. The Project's Top 10 tenants account 93.03% of the Gross Rental Income.

The top 10 Tenants as per Leasable areas is listed below: -

Table 5.8: Top 10 Tenants as per Leasable Area*

Sr No.	Tenant	Leasable Area (Sq Ft)
1	Smartworks Coworking Spaces Private Limited	443,948
2	Verizon Data Services India Pvt Ltd	309,812
3	BA Continuum India Pvt Ltd	302,327
4	DXC Technology India Pvt. Ltd	279,740
5	Qualcomm India Pvt Ltd	124,117
6	24-7 Intouch India Private Limited	92,986
7	Convergys India Services Private Limited	46,280
8	SumTotal Systems India Pvt Ltd	44,500
9	EIT Services India Private Limited	43,288
10	Infinx Services Pvt Ltd	26,947
	TOTAL	1,713,945

The top 10 Tenants as per Gross Rents are listed below: -

Table 5.9: Top 10 Tenants as per Gross Rentals*

Sr. No.	Tenant	Share of Gross Rentals (%)*
1	Smartworks Coworking Spaces Private Limited	24.3%
2	Verizon Data Services India Pvt Ltd	18.7%
3	BA Continuum India Pvt Ltd	15.7%
4	DXC Technology India Pvt. Ltd	14.5%
5	Qualcomm India Pvt Ltd	5.8%

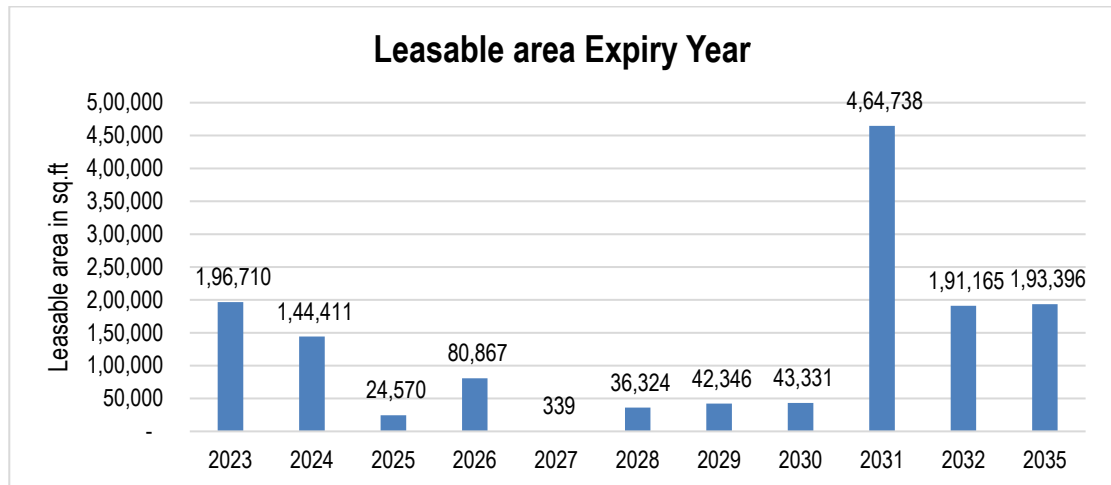
Sr. No.	Tenant	Share of Gross Rentals (%)*
6	24-7 Intouch India Private Limited	5.3%
7	SumTotal Systems India Pvt Ltd	2.6%
8	Convergys India Services Private Limited	2.6%
9	EIT Services India Private Limited	1.9%
10	K Raheja Corporate Services Pvt. Ltd.	1.5%
	TOTAL	93.03%

Source: Analysis, March 2023

* Includes contracted areas for which rent may start at a future date

Lease Expiry Analysis

The WALE of the property is 7.0 years, with 25% of occupied area expiring on CY 2031 as shown in the chart below:



Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 5% every year or 15% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Hyderabad is one of the fastest-growing cities in India. The city has succeeded in building on its IT/ITeS and pharmaceutical capabilities and managed to attract several global technology and pharmaceutical giants to invest in and operate from the city. In 2020, Hyderabad topped the JLL City Momentum Index (CMI) for the second time after 2018. An active real estate market with healthy rental growth along with a thriving start-up culture have been the catalysts for Hyderabad to surpass all other major metro cities around the world and top the index. Proactive initiatives and investor friendly policies such as the new industrial policy of TS-iPass by the state government has driven the fast and strong economic growth of the city in the last 5 years.

The city is also home to 4,000 start-ups, primarily in the field of AI, Life sciences and Big Data analytics. The 2020 Global Start-up Ecosystem Report (GSER) by start-up Genome and the Global Entrepreneurship Network has put the state of Telangana among the top 30 global ecosystems for affordable talent in 2020 and Hyderabad is amongst the Top 100 emerging ecosystems.

IT/ITeS and pharmaceutical industries are the two major sectors that contribute maximum to the city's GDP. Defying all the covid disruptions, IT exports by Telangana in FY 2021-22 grew by 26% to INR 1,83,569 crore, compared to the national average of 17%. During the same year, the state added approximately 1,49,506 new jobs at an annual growth rate of 23.8%. This accounts for one third of the total IT jobs added in the country during the same period. Along with IT/ITeS, the pharmaceutical industry adds significantly to the exports from the city by commanding a 30% share in India's bulk drug production.

Owing to its robust and fast-developing infrastructure along with ease of living that offers a cosmopolitan environment, Hyderabad is amongst the most preferred destinations by the young workforce of the country. As per India Workforce Report by LinkedIn, Hyderabad is the 3rd largest city to attract people from every corner of India. Hyderabad accounts for about 8.5% of total immigrants across cities in India.

6.3 INFRASTRUCTURE INITIATIVES

The Telangana State Road Transport Corporation's (TSRTC) city buses, and Indian Railways' Multi-Modal Transport System along with Hyderabad Metro Rail (HMR) form the key public transport system for Hyderabad city. The current Hyderabad Metro Rail network consists of 57 stations covering 67 km. This connects the eastern and western parts of the city through the dense CBD of Hyderabad. This service is further being extended to connect the Rajiv Gandhi International airport at Shamshabad with the IT hubs- Madhapur, Gachibowli, and surrounding areas in the western part. Over the last 3 years, the city has experienced massive road development projects in all major areas.

The major infrastructure push to Hyderabad is being carried out through the most comprehensive road development plan. The flagship program by the state government and Greater Hyderabad Municipal Corporation (GHMC) is aimed to improve 54 junctions in the city

by building new elevated flyways and underpasses along with the construction of new roads. The INR 24,000 crore project involves improving the traffic congestion in the city and use it as a catalyst to improve the ease of living.

Existing infrastructure

Existing Project	Completion timeline	Details	Key impact zones
Nehru Outer Ring Road (ORR)	2008 – 2018 (in phases)	158 km elevated 8-lane expressway built to encircle city periphery	Madhapur, Gachibowli
Rajiv Gandhi International Airport (RIGA)	2008 (On-going expansion)	Improved air connectivity of Hyderabad with key cities across the world. Direct air connectivity with the key cities in the USA, UK, Europe, Middle East, Singapore, and Hong Kong.	Suburbs Others, Gachibowli
PVNR Expressway	2009	11.6 km signal-free elevated highway from Mehdiapatnam to Attapur	SBD, Suburbs Others
Durgam Cheruvu Bridge	2020	0.5 km cable bridge over Durgam Cheruvu connecting Jubilee Hills to Madhapur Reduces travel time	SBD
Strategic Road Development Programme (SRDP)	Started in 2018	-	CBD, SBD, Madhapur, Gachibowli, Suburbs Others

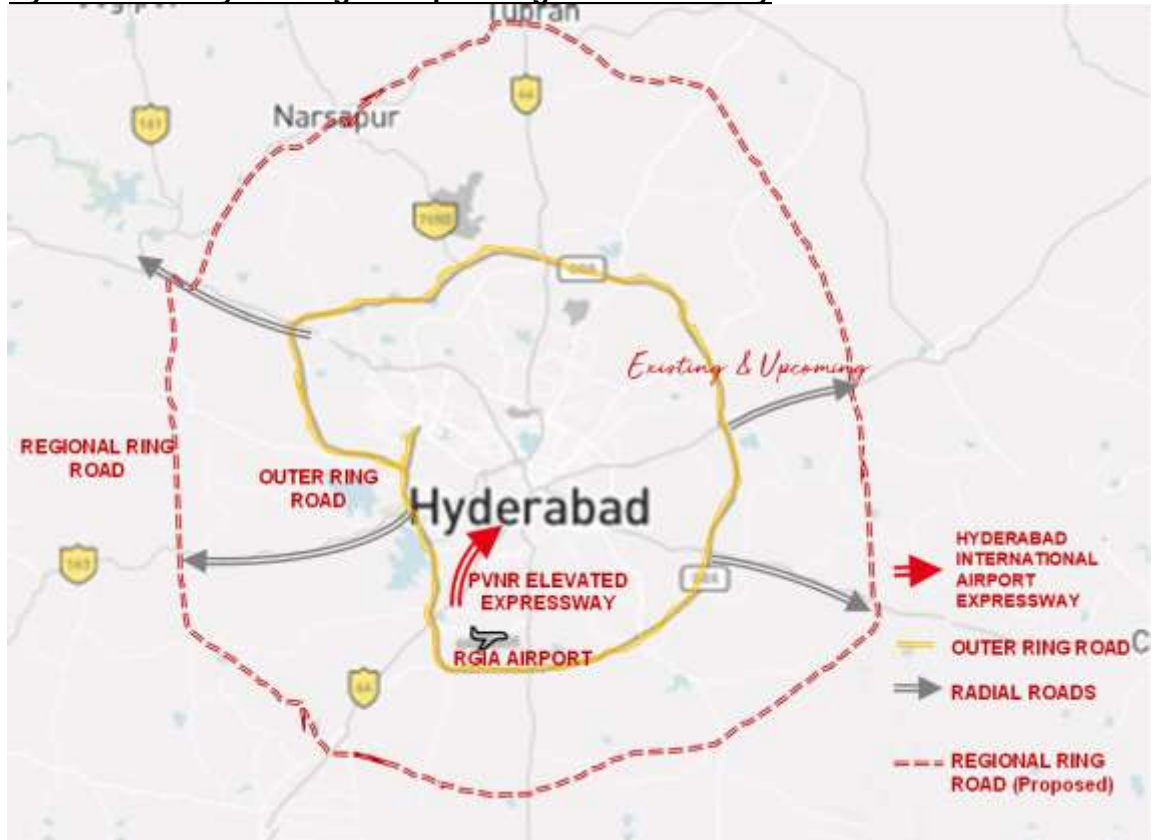
Source: Real Estate Market Research & Analysis; JLL, March 2023

Upcoming Infrastructure

Some of the key upcoming projects for the city are mentioned below:

Existing Project	Completion timeline	Details	Key impact zones
Regional Ring Road	NA	6 lane, 330 km Circular Road network to be developed around extended suburbs of Hyderabad city to ensure excellent connectivity with supporting smaller towns around Hyderabad. Intercity connectivity with other districts of Telangana is likely to improve	NA
Elevated Corridors	2022 - 2024	Elevated Road network in key junctions of the city Helps in easing traffic congestion	Suburbs Others, CBD, SBD
Elevated Bus Rapid Transport System (EBRTS)	NA	To complement Hyderabad's transport infrastructure, an elevated BRTS is planned between KPHB and the Financial District with further extension up to Kokapet. Being implemented by the Hyderabad Airport Metro Limited EBRTS will have 23 stops for electric buses and aims to resolve the traffic congestion along the Metro corridor.	Madhapur, Gachibowli

Hyderabad – Key existing and upcoming roads in the city



Source: Real Estate Market Research & Analysis; JLL, March 2023

Existing Metro Rail Lines

Hyderabad Metro Rail Phase 1 is fully operational with coverage of ~69 kms. Since the announcement of the Metro Rail Project in 2017, Hyderabad's real estate witnessed a boost along its corridors. Phase II of this project traverses ~58 kms network connecting airport and other residential suburbs; Raidurg to Shamshabad network by ~ 31 kms; LB Nagar to Nagole ~5kms and Lakdikapul to BHEL by ~ 22kms.

Existing Project	Completion timeline	Details	Key impact zones
Hyderabad Metro Rail – Phase I	2017 - 2020	69 km elevated network connecting eastern and western parts of city via CBD	SBD, CBD, Madhapur

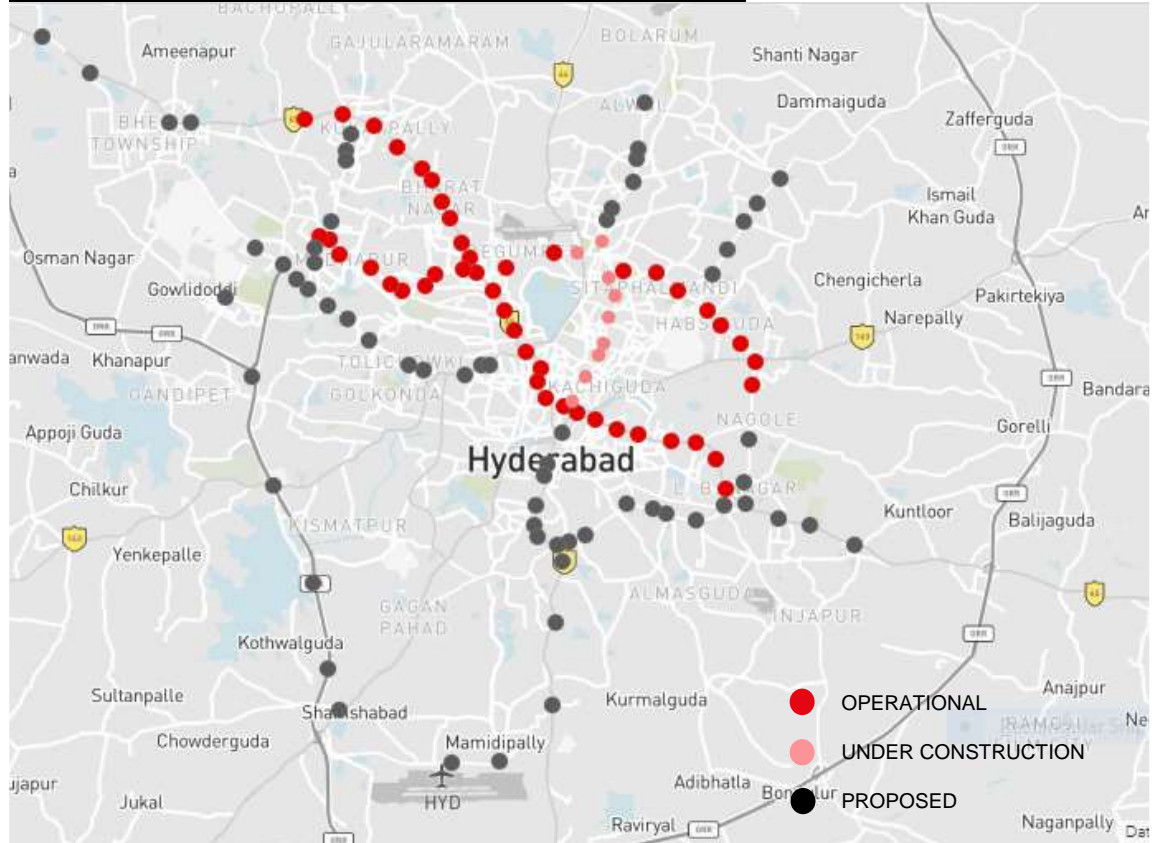
Upcoming Metro Rail Lines

Upcoming Project	Completion timeline	Details	Key impact zones
Hyderabad Metro Rail – Phase II	NA (3-4 years from commencement)	<ul style="list-style-type: none"> 58 km network connecting airport and other residential suburbs Raidurg to Shamshabad Airport – 31 km Nagole to LB Nagar – 5 km Lakdi ka pul to BHEL – 22 km 	Gachibowli, SBD, Suburbs Others
Hyderabad Airport Metro	NA	Hyderabad Metro's Airport Express Line is an upcoming rail line that'll connect Mindspace REIT Junction and Rajiv Gandhi International Airport in Shamshabad via 10 stations. This 32 km line of the Hyderabad	

Upcoming Project	Completion timeline	Details	Key impact zones
		Metro Phase 2 project will be funded by Telangana Government and executed by HAML (Hyderabad Airport Metro Ltd).	

Source: Real Estate Market Research & Analysis; JLL, March 2023

Hyderabad – Map of existing and upcoming metro lines



Source: Real Estate Market Research & Analysis; JLL, March 2023

6.4 HYDERABAD - OFFICE SUB MARKETS

The office sub-markets of Hyderabad City are classified into six micro markets based on the market trend as mentioned below.

Sub-market	Locations	Map of Hyderabad office market
CBD	Begumpet, SP Road, Secunderabad, Punjagutta, Nagarjuna Circle, Raj Bhavan Road.	
SBD	Banjara Hills, Jubilee Hills, Shaikpet, Kavuri Hills, Ameerpet, Nagarjuna Hills	
Madhapur	Hafeezpet, Madhapur, Kondapur, Madhapur, Raidurg, Kukatpally	
Gachibowli	Kokapet, Manikonda, Financial District, Nanakramguda, Puppalguda, Khajaguda	
Peripheral East	Uppal, Pocharam	
Suburbs- Others	Shamshabad	

Source: Real Estate Market Research & Analysis; JLL, March 2023

City Market Trends

Sub-Markets	Total Stock (sq. ft)	Net Absorption (sq. ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
CBD	3,284,888	8,973	-93.1%	NA	9.5%	- 20 bps	- 810 bps
SBD	3,466,255	77,444	-55.2%	61.4%	25.6%	- 220 bps	- 280 bps
Madhapur	64,479,253	342,544	-75.7%	-68.0%	13.6%	40 bps	390 bps
Gachibowli	33,320,892	-4,222	-114.9%	-100.2%	34.6%	0 bps	1,120 bps
Peripheral East	2,989,000	50,000	NA	NA	35.2%	-160 bps	-270 bps
Suburbs Others	1,297,083	100,007	NA	NA	21.4%	-380 bps	-540 bps

Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing Activity

Leasing activity in Hyderabad dropped significantly during the quarter to 0.9 million sq ft as office space demand remained sluggish in the start of the year. While IT & ITES led the leasing activity during the quarter, Healthcare and BFSI segments contributed significantly. However, absorption in flex spaces remained healthy during the quarter as many firms are inclining towards plug & play workspaces. While Madhapur contributed 85% in gross leasing, Gachibowli stood at 15%.

The city is currently witnessing the conclusion of a few pre-lease transactions in the key projects of Salarpuria, RMZ and CapitaLand in the Madhapur submarket. This trend is likely to continue over the next year as several pre-leasing deals are on the verge of completion, predominantly in the Madhapur submarket.



Source: Real Estate Market Research & Analysis; JLL, March 2023

Vacancy

As new supply outpaced a slowly recovering demand by a large margin, vacancy levels in the city went upward over the last one year. Since covid, the vacancy levels in the city have been growing north amidst a relative decline in the leasing activity from large IT companies while the supply has been very robust simultaneously. While vacancy in Madhapur has risen from 3% to 13% in last three years, it has grown from 8% to 34% in Gachibowli during the same period. With no large supply and muted demand during the quarter, vacancy in the city has remained unchanged at 21% in Q1 2023.

Submarket Rents

With limited supply till 2018 in the city, rents remained stable across the city. However, as new wave of quality supply hit the market in 2019 rents have witnessed a significant growth in the key micro markets like Madhapur and Gachibowli. However, post covid the rental growth has been limited but continues to be on growth curve in the city amidst completions from top developers largely in Madhapur and Gachibowli at higher rentals. With no new supply in Q1 2023 besides moderate demand, rents in the city remain unchanged at INR 63.3 per sq ft per month.

New supply

In last few years Hyderabad has witnessed a massive growth in new supply across the key submarkets. While the average annual supply from up to 2018 has been 4.8 million sq ft, it jumped to 13.2 million sq ft in the last four years in the city. With delayed projects coming on board in the next few quarters, new supply is expected to witness a robust growth in the latter half of 2023, largely driven by Madhapur and Gachibowli submarkets. After a record high supply during the last quarter, Hyderabad saw its lowest ever supply in Q1 2023 at 0.7 million sq ft, owing to delays in receiving Occupancy Certificates, taking the overall office stock in the city to 108.8 million sq ft.

Outlook

New supply is likely to be driven by leading developers like RMZ, Salarpuria, Phoenix Group & GAR Corp as many large projects are in advanced stages of constructions, mostly located in the submarket of Madhapur. Amidst sharp decline in demand for large scale office spaces by leading IT & BFSI players, vacancy in the city is expected to come under pressure in the medium term in the range of 20-23%. While a significant proportion of the upcoming supply in the medium to long term is still due for absorption, the gradually recovering momentum in leasing activity is expected to improve the leasing activity in the longer term. Large part of leasing activity is expected to be witnessed in Madhapur market owing to quality supply from leading developers in key localities of the submarket.

6.5 MICRO MARKET: MADHAPUR

The project lies in the Madhapur micro market.

Supply, Demand Trend

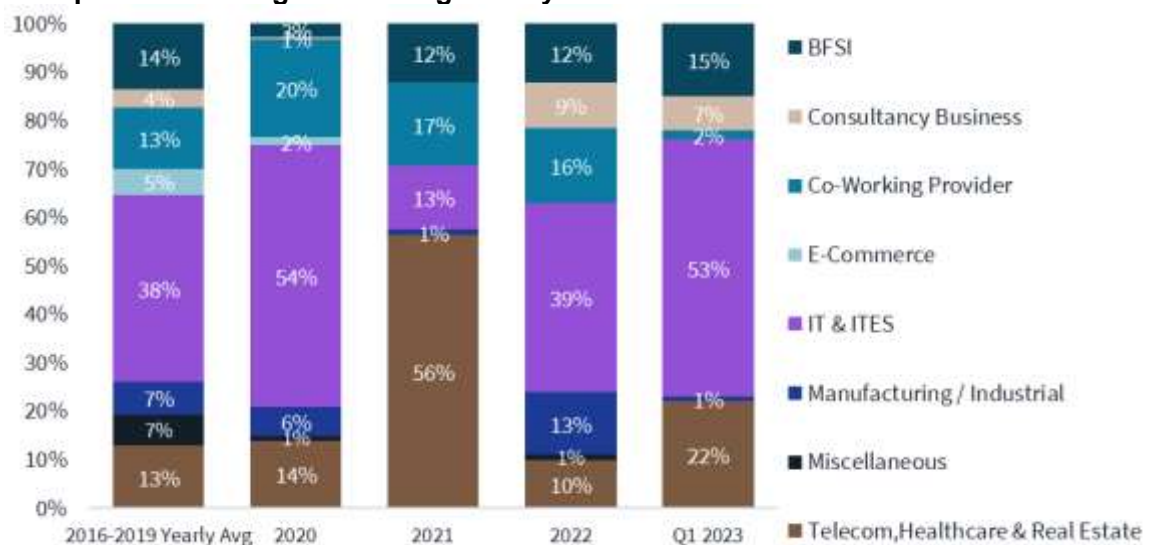
Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, March 2023

As Madhapur enjoys the superior connectivity and well-established infrastructure in the city, it has been the most sought-after office market in the city from tenants across all segments. It commands a market share of 60-70% of total leasing activity in the city as large companies prefer expanding into this market along with robust demand from mid-sized tenants. Demand has always matched or outpaced the supply in the submarket amidst large inflow of pre-commitments in the properties of Salarpuria, KRC, RMZ, Phoenix & Divyasree Developers. Albeit a mismatch in 2020 owing to covid, it recorded a healthy recovery 2021 & 2022. Amidst limited supply with a moderate occupancy along with sluggish demand, net absorption in the submarket during the quarter dropped to 0.3 million sq ft, which accounts for 65% of total net absorption in the city. As key transactions that are in pipeline started to conclude in major properties during the quarter, Madhapur sustained a healthy traction in gross leasing activity at 0.8 million sq ft.

Supply

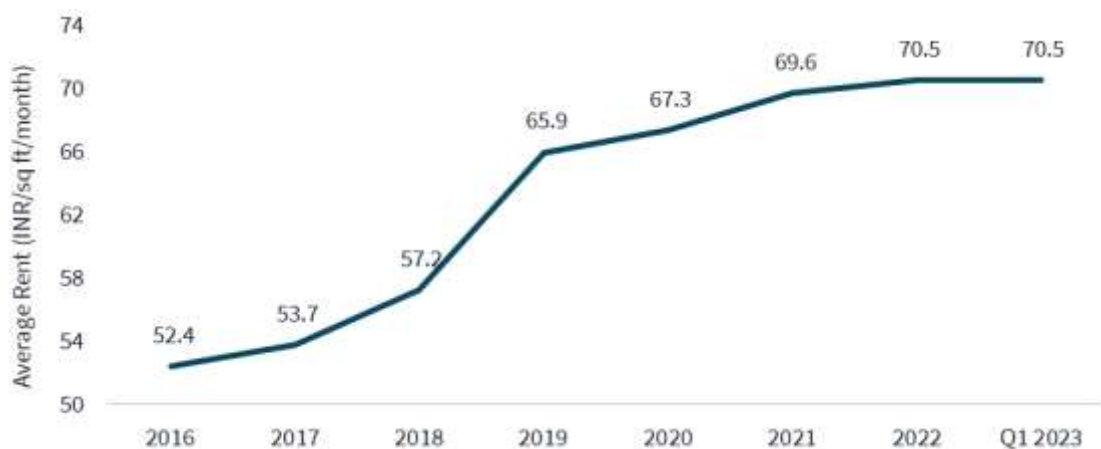
In the last 4 years, total Grade A office stock in Madhapur recorded a growth of 77% to 64 million sq ft. With marquee office projects getting operational by key developers like RMZ, Salarpuria & Divyasree, supply remained very robust in this submarket with an average annual supply of 7 million sq ft from 2019. In Q1 2023, Madhapur witnessed a sharp decline in new supply owing to delayed approvals of key projects under construction. It recorded completion of one new project of 0.7 million sq ft, taking total office stock to 64.5 million sq ft.

Vacancy

As the submarket has been largely driven by large scale pre-commitments along being most sought-after market by small to medium scale tenants, vacancy has always remained below 5% until 2019. However, due to huge supply alongside poor demand due to covid, vacancy rose from 3% to 8% in 2020. Currently, it stands at 13.6% as the supply remained very robust while the demand is on a gradual recovery.

Rents

Madhapur micro market is the most preferred sub-market in the city attracting large and marquee MNC occupiers. Due to excellent connectivity along with the ecosystem it offers over other sub-markets; the average lease rental (INR 70.5 per sq ft per month) is above the city average. Some of the prominent IT Parks offering Premium Grade A space in the Madhapur micro market are Salarpuria Knowledge City and RMZ Skyview; lease rentals in these Projects are in the range of INR 74-79 per sq ft per month.



Note: Mindspace REIT micro markets, 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.

Source: Real Estate Market Research & Analysis; JLL, March 2023

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market:

Table 6-1: Major Lease Transactions in the Micro-Market of the Project

Sr. No.	Occupier Name	Name of the Building	Sub-Market	Area Leased (sq ft)	Lease Rentals (INR per sq ft per month)	Transacted Period
1	Warner Bros	Capitaland International Techpark	Madhapur	100,000	72 - 76	1Q,2023
2	VXI	Capitaland International Techpark	Madhapur	60,000	70 -74	1Q,2023
3	PWC	My Home Twitza	Madhapur	60,000	64 -68	1Q,2023
4	E&Y	Capitaland International Techpark	Madhapur	75,000	74 -78	4Q, 2022
5	Chubb	Knowledge Park Phase 1	Madhapur	50,710	128 -132	4Q, 2022
6	Bosch	Knowledge Park Phase 1	Madhapur	280,000	118 -122	4Q, 2022
7	CBRE D&T	Knowledge Park	Madhapur	80,000	70 - 74	3Q, 2022
8	State Bank Of India	Salarpuria Sattva Knowledge City	Madhapur	6,000	98-100	1Q,2023
9	Yext India	Salarpuria Sattva Knowledge City	Madhapur	27,160	79-82	1Q 2022
10	Clean Harbors India	RMZ - The Skyview	Madhapur	20,924	73-75	1Q 2022
11	Markit India Services	RMZ - The Skyview	Madhapur	44,165	73-75	4Q 2022
12	Providence Global Centre	RMZ - The Skyview	Madhapur	69,601	72-74	3Q, 2022
13	Incedo Technology Solutions	Aurobindo Galaxy Towers	Madhapur	10,403	72-74	2Q 2022
14	Safran India	Aurobindo Galaxy Towers	Madhapur	21,266	72-74	2Q 2022
15	Incedo Technology Solutions	Aurobindo Galaxy Towers	Madhapur	16,814	75-77	1Q 2022
16	SMEDC Services	Aurobindo Galaxy Towers	Madhapur	21,477	73-75	1Q 2022
17	RA Chem Pharma	Aurobindo Galaxy Towers	Madhapur	21,477	73-75	1Q 2022
18	Amazon Retail	Avance Business Hub	Madhapur	169,690	68-70	4Q 2022
19	Genzeon Technology Solution	Aurobindo Galaxy Towers	Madhapur	41,300	68-70	4Q 2022
20	CommVault	V Ascendas IT Park (ITPH)	Madhapur	27,570	68-70	4Q 2022
21	Garmin Technologies	Aurobindo Galaxy Towers	Madhapur	41,393	68-70	1Q 2022
22	Google	Divyasree Omega	Madhapur	60,314	68-70	4Q 2022
23	Google	Divyasree Omega	Madhapur	180,995	68-70	4Q 2022
24	Google	Divyasree Omega	Madhapur	30,257	68-70	4Q 2022

Sr. No.	Occupier Name	Name of the Building	Sub-Market	Area Leased (sq ft)	Lease Rentals (INR per sq ft per month)	Transacted Period
25	Anarock Property Consultants	Salarpuria Sattva Knowledge City	Madhapur	7,000	68-70	3Q, 2022
26	Harsco India Services	Western Aqua	Madhapur	43,139	66-69	4Q 2022
27	Axis Clinicals	Aurobindo Galaxy Towers	Madhapur	79,605	66-69	2Q 2022

Source: Real Estate Market Research & Analysis; JLL, March 2023

The lease transactions in the micro market are recorded in the range of INR 64 – 80 per sq. ft. per month (warm shell) where the Project is located. Market rent for the Project has been considered in line with the achievable market rent for completed buildings at INR 71 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within the Country

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6-2: List of transactions / deals in recent past:

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, March 2023

Table 6-3: List of multicity transactions in recent past

Sl. No	Type of Transaction	Property Name	Location	Type of Asset	No. of properties/area	Deal Size (INR Bn)	Net Yield	Status of Development
1	Multi-city	RMZ-Brookfield	Bengaluru, Chennai, Pune (exc. Coworks)	Commercial office space	Appx 12.3 million sq. ft.	145	7.40% - 7.60%	All completed and operational properties
2	Multi-city	Prestige	Multiple cities	Commercial, Retail	Completed and under construction (3 properties)	Total - 91, Tranche: 74	8.00% - 8.50%	Both completed & Under construction

Source: Real Estate Market Research & Analysis; JLL, March 2023

Project I.e., Mindspace Madhapur is located in the most preferred micro market for IT/ITeS companies in the city. The Project forms part of the portfolio of Mindspace Business Parks REIT (Mindspace REIT) and one of the established Commercial Real Estate developers into Grade A office developments. The location has excellent connectivity to residential locations and social infrastructure.

The project offers Grade A space spread across two blocks with good amenities and facilities. Some of the prominent clients in the campus include Verizon, BA Continuum, Qualcomm India Smartworks etc.

The Project is preferred commercial development in Madhapur micro-market due to the quality of building, ecosystem and connectivity (Metro Rail).

Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

Madhapur is likely to witness new supply of 9 to 10 million sq ft in 2023 consisting of marquee projects from leading developers like RMZ, Salarpuria & CapitaLand. As 30% of upcoming supply of 2023 is pre-leased already along with ongoing transactions, Madhapur is expected to record a net absorption of 6 to 6.5 million sq ft in the upcoming year. Owing to upsurge in the new supply for next couple of years, vacancy in the submarket is expected to remain high and increase gradually. Rents are expected to see a marginal upside as most of the ongoing transactions are expected to close higher than market-average rentals. As demand is healthy, evidenced by increased enquiries, the submarket is likely to witness heightened activity in the coming quarters.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project has been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimate 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 lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- 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 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.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.3 CONSTRUCTION TIMELINES

Project has received full occupancy certificate for operational buildings, However, there are certain balance payments to be made to vendors to the tune of INR 566 Mn which shall be paid by June 2024

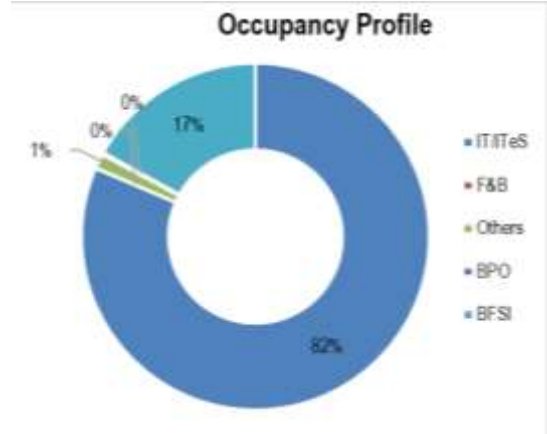
For under construction area of approx. 3.07 million sq. ft, the CAPEX yet to be incurred is INR 14,994 Mn by December 2026.

- 1A / 1B Redevelopment –Q3 FY26
- Experience Center – Q2 FY25
- 7/8 Redevelopment - Q3 FY27

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows: -

- ~82% of the space is taken by IT/ITeS sector.
- ~17% taken by BSFI.
- ~1% in Others.
- A small area that is 0.27% by BPO and F & B



7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Buildings

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-23	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	2,048,761 sq. ft	As per the information provided by the Client
Leased Area	1,842,181 sq. ft	As per the information provided by the Client
Vacant Area / Vacancy	206,580 / 10.08%	As per the information provided by the Client
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	206,580 sq. ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market
Rent Free Period for New Leases	3 months	As prevalent in the micro-market
Total No. of Car Parking Spaces	2,015	As per the information provided by the Client
No. of Car Parking Spaces Leased	63	As per the information provided by the Client
Construction Related Assumptions		
Construction Cost to be incurred (upgrade costs)	INR 566.0 Mn	As per the information provided by the Client
Estimated Completion Date for Incurring Expenditure	Q1 FY25	As per the information provided by the Client

Parameters	Assumptions / Inputs	Remarks / Basis
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e., 15% every 3 years Or 5% every year	As prevalent in the market, it is observed that lease agreements are primarily at 5% rent escalations every year. Or at 15% every 3 years
Market / Marginal Rent - Office	INR 71.00 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 55 – 80 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 70 - 80 per sq. ft. per month. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	Not Applicable	
Other Income	1% of base rentals	Analysis of the historical trend of other income suggest a normalized level of other income can be achieved in the future. Accordingly, we have considered other income at 1% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent - Car Parking Space	INR 2,000 per sq. ft. per month	The Grade A offices offers car parking rates in the range of INR 2,000 – 3,500 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the subject property is derived.
Market / Marginal Rent Food Court	INR 230 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Market / Marginal Rent Kiosk	INR 230 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Market / Marginal Rent Terrace	Not Applicable	
Other Operating Income		
Market Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a

Parameters	Assumptions / Inputs	Remarks / Basis
		market rent growth of 5% per annum for the Project
Parking Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 14.4 per sq. ft per month	As given by the Client and as prevalent in the market
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 11.88 per sq. ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 12.68 per sq. ft per annum	As given by the Client
Insurance	INR 3.8 per sq. ft per annum	As given by the Client
Cost Escalation	3% per annum	As prevalent in the market.
CAM Escalation	5% per annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market.
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.00% (post yield shrinkage). Capitalized based on the Net Cash Flows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10	Value assumptions as practiced in the market

Parameters	Assumptions / Inputs	Remarks / Basis
	years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	

Table 7.3: Key Assumptions Used in the Estimate of Under Construction / Future Development Block

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	3,068,748 Sq. ft	As per the information provided by the Client
Leased Area	3,068,748 Sq. ft	As per the information provided by the Client
Vacant Area / Vacancy	0.00%	As per the information provided by the Client
Vacancy Allowance	2%	As per Valuation Guidelines practice for a conservative approach we maintain a structural vacancy of 2%. Although micro-market has seen a healthy absorption for Grade A projects.
Area to be Leased	3,068,748 Sq. ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market
Rent Free Period for New Leases	3 months	As prevalent in the micro-market
Construction Related Assumptions		
Construction Cost to be incurred (excluding approvals)	INR 14,994 Mn	As per the information provided by the Client
Estimated Completion Date	1A / 1B Redevelopment –Q3 FY26 Experience Center – Q2 FY25 7/8 Redevelopment - Q3 FY27	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the	As prevalent in the market, it is observed that lease agreements are

Parameters	Assumptions / Inputs	Remarks / Basis
	leases, i.e., 15% every 3 years Or 5% every year	primarily at 5% rent escalations every year. Or at 15% every 3 years
Market / Marginal Rent - Office	INR 71.00 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 55 – 80 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 70 - 80 per sq. ft. per month. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market Rent - Car Parking Space	Not Applicable	
Market / Marginal Rent - Food Court	INR 105 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Market / Marginal Rent - Kiosk	INR 130 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Market / Marginal Rent - Terrace	Not Applicable	
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Other Operating Income		
Market Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Parking Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower

Parameters	Assumptions / Inputs	Remarks / Basis
Maintenance Services Income / CAM Income	INR 14.4 per sq. ft per month	As given by the Client and as prevalent in the market
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 11.88 per sq. ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 12.78 per sq. ft per annum	As given by the Client
Insurance	INR 3.8 per sq. ft per annum	As given by the Client
Cost Escalation	3% per annum	As prevalent in the market.
CAM Escalation	5% per annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market.
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 13.00%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.00% (post yield shrinkage). Capitalized based Net Cash Flows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

Valuation of land for future development – 1.79 acres

Project has 1.79 acres of land for future development located at the entrance gate. The same is proposed for commercial development measuring 500,000 sq. ft. However, the land is currently under litigation. Further it is forming part of the larger IT park and designated for IT/ITES development.

The market value of the plot has been estimated using government benchmarked price (allotment rate) as the land is still under litigation even though the opinion of the legal counsel of KRIT provides certain confidence that the case of retention of plot for future development by KRIT is strong.

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Table 7.4: Market Value of the Project

Component	Area	Market Value (INR Million)
Commercial Office/IT Space – completed	2,048,761 sq. ft	19,747.53
Commercial Office/IT Space – under construction and Future Development	3,068,748 sq. ft & ~ 1.79 acres of land	10,729.13

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the entire Campus. The Market Value presented is for 89% interest in the Subject Property only.

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project Mindspace Madhapur (KRIT) located in Madhapur, Hyderabad Telangana, India 500081, comprising

1. **For Completed Project - INR 19,747.53 million** (INR Nineteen Billion Seven Hundred Forty-Seven Million Five Hundred and Thirty Thousand Only)
2. **For Under construction, Future Redevelopment, and land Projects INR 10,729.13 million** (INR Ten Billion Seven Hundred Twenty-Nine Million One Hundred and Thirty Thousand Only)

*Note: Based on the inputs provided by client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is **INR 34,243.45 million** (INR Thirty-Four Billion Two Hundred Forty-Three Million Four Hundred and Fifty Thousand Only)*

Table 7.5: Ready Reckoner rates and TSIIC Allotment Rates for the Project

Component	Ready Reckoner Rate
Commercial (Built-Up Area)	Ground floor – INR 7,300 per sq. ft. first & other floors – INR 6,600 per sq. ft.
Land	INR 44,900 per sq. yard.
Land (as Per TSIIC)	INR 120,000 per sq. m

Source: Registration & Stamps Department, Govt of Telangana and TSIIC, March 2023

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

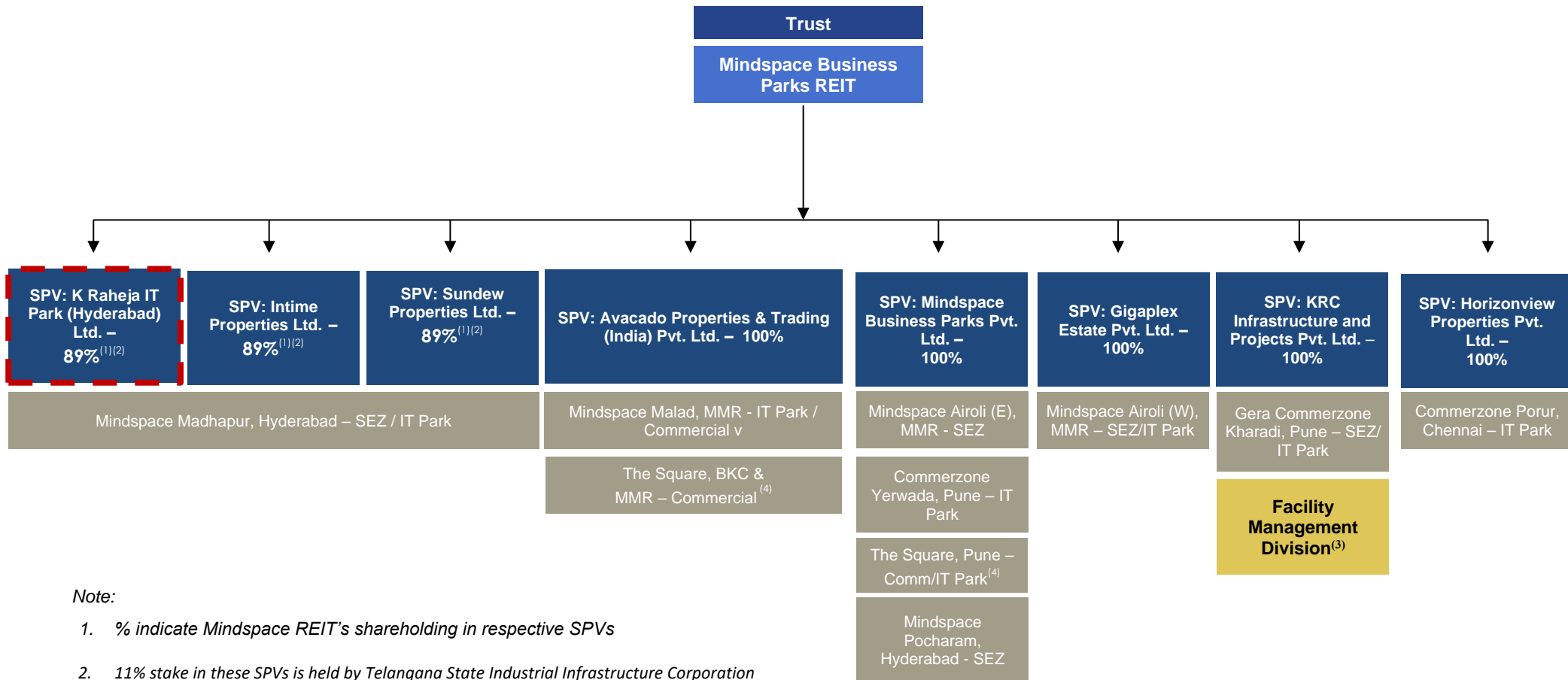
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.



Annexure - 3

Statement of Key Assets within the Project

Table 7.6 Statement of Key Assets within the Project

Building	No. / Name	B2A	B2B	B3A	B3B	B4	B5A	B10
Floor	Nos	2B+S+10F	B+GF+9F	B+GF+4F	2B+GF+6F	G+2P+8F	G+3F	2B+G+10F
Warm Shell / Bare shell		Warm Shell	Warm Shell	Warm Shell	Warm Shell	Bare Shell	Warm Shell	Warm Shell
Air Cooled Chiller	TR	1 x 280 , 1 x 350	1 x 100	1 x 100, 1 x 200	280	NA	182	60
Water Cooled Chiller	TR	NA	NA	NA	NA	NA	NA	NA
No of Elevators /Make	No/ Make	10- Mitsubishi	10- Mitsubishi	4-OTIS	5- Mitsubishi	06+2- KONE	4-OTIS	5-Kone
No of DG / Capacity	No. / KVA	3 x 1010	3 x 1010	2 x 1010	2 x 1010	NA	1 x 625, 1 x 1000	1 x 380, 1 x 740, 4 x 1010
No of Transformers / Capacity	No./ KVA	2 x 2500	2 x 2500	2 x 1000	2 x 1250	04 x 1500	2 x 1000	2 x 2500
Booster Pump	KW / Make	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	2 x 9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers
Jockey Pump	KW / Make	11 - Kirloskar Brothers		9.3 - Kirloskar Brothers	68 - Kirloskar Brothers	11 - Kirloskar Brothers	9.3 - Kirloskar Brothers	11 - Kirloskar Brothers
Fire Diesel Pump	KW / Make	68 - Kirloskar Brothers		68 - Kirloskar Brothers	68 - Kirloskar Brothers	68 - Kirloskar Brothers	68 - Kirloskar Brothers	68 - Kirloskar Brothers
Hydrant Pump	KW / Make	75 - Kirloskar Brothers		55 - Kirloskar Brothers	55 - Kirloskar Brothers	75 - Kirloskar Brothers	55 - Kirloskar Brothers	75 - Kirloskar Brothers
Sprinkle Pump	KW / Make	75 - Kirloskar Brothers		55 - Kirloskar Brothers	55 - Kirloskar Brothers	75 - Kirloskar Brothers	55 - Kirloskar Brothers	75 - Kirloskar Brothers
STP Rating	KLD	350		150		150	80	150

Annexure - 4

Approvals and NOCs Received for the Project

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

Approvals Received

- a) Approved masterplans for all buildings
- b) Full Occupancy Certificates for all Buildings
- c) Consent to Operate for all buildings
- d) Height Clearance NOC from AAI for all buildings
- e) Fire NOC for all Buildings
- f) All approvals for B1A-1B received including CFE, AAI NOC and EC
- g) EC received for B7&8
- h) Consent to Operate for all Buildings (except Building 5A, 7, and 8; not applicable for B5A)
- i) CFE for B7&8
- j) EC received for all buildings except for Buildings (not required for Building 5A)
- k) Approvals for Experience Centre (EC, municipal approval, CFE, building permit)
- l) Demolition approval received for building 7 and 8


Approvals Pending

- a) Municipal approval of B7&8 applied, yet to receive

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Ready Reckoner Rate for the Built-up Area



REGISTRATION & STAMPS DEPARTMENT

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Unit Rates - Locality Wise

District Name

: RANGAREDDY

Mandal Name

: SRILINGAMPALLE

City/Town/Village

: MADHAPUR

S.No.	Ward-Block	Locality	Apartment value (Rs. per Sq.Ft)			Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
			Ground Floor	First Floor	Other Floors			
1.	0 - 1	RESD IN COMM-1	4,500	4,500	4,500	02(Commercial)	01/02/2022	Get
2.	0 - 1	RESIDENTIAL LOCALITY	3,000	3,000	3,000	01(Residential)	01/02/2022	Get
3.	0 - 2	COMMERCIAL-1	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
4.	0 - 2	MADHAPUR MAIN ROAD	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
5.	0 - 3	COMMERCIAL PROPERTIES IN MADHAPUR RESIDENTIAL	4,500	4,500	4,500	02(Commercial)	01/02/2022	Get
6.	0 - 3	RES PROP ABUTTING TO KOTHAGUDA JN TO MADHAPUR	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
7.	0 - 2	MADHAPUR MAIN RD TO JUBILEE HILLS VIA YSR STAT	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
8.	0 - 3	MADHAPUR	3,000	3,000	3,000	01(Residential)	01/02/2022	Get
9.	0 - 3	MADHAPUR MAINROAD	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
10.	0 - 3	MADHAPUR TO JUBILEEHILLS ROAD VIA YSR STATUE	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
11.	0 - 3	MINDSPACE JUNCTION TO INORBIT MALL	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get

Ready Reckoner Rate for the Land

REGISTRATION & STAMPS DEPARTMENT Government of Telangana						
Unit Rates - Locality Wise						
District Name : RANGAREDDY		Mandal Name : SRILINGAMPALLE		City/Town/Village : MADHAPUR		
S.No.	Ward-Block	Locality	Land Value (Rs. per Sq.Yard)	Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
1.	0 - 1	RESD IN COMM-1	32,200	02(Commercial)	01/02/2022	Get
2.	0 - 1	RESIDENTIAL LOCALITY	32,200	01(Residential)	01/02/2022	Get
3.	0 - 2	COMMERCIAL-1	44,900	01(Residential)	01/02/2022	Get
4.	0 - 2	MADHAPUR MAIN ROAD	44,900	02(Commercial)	01/02/2022	Get
5.	0 - 3	COMMERCIAL PROPERTIES IN MADHAPUR RESIDENTIAL	32,200	02(Commercial)	01/02/2022	Get
6.	0 - 3	RES PROP ABUTTING TO KOTHAGUDA JN TO MADHAPUR	44,900	01(Residential)	01/02/2022	Get
7.	0 - 2	MADHAPUR MAIN RD TO JUBILEE HILLS VIA YSR STAT	44,900	01(Residential)	01/02/2022	Get
8.	0 - 3	MADHAPUR	32,200	01(Residential)	01/02/2022	Get
9.	0 - 3	MADHAPUR MAINROAD	44,900	02(Commercial)	01/02/2022	Get
10.	0 - 3	MADHAPUR TO JUBILEEHILLS ROAD VIA YSR STATUE	44,900	02(Commercial)	01/02/2022	Get
11.	0 - 3	MINDSPACE JUNCTION TO INORBIT MALL	44,900	02(Commercial)	01/02/2022	Get

Allotment Rate for the Land (as Per TSIIC)

TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED			
STATEMENT OF LAND RATES VALID FROM 27.05.2022 UPTO 31.03.2023			
S.NO	CURRENT ZONE	NAME OF THE IP/AN/GC/SEZ etc.	RATE (in Rs. Per Sq.Mtr.)
(1)	(2)	(3)	(4)
1	CYBERABAD	FINANCIAL DISTRICT- NANAKRAMGUDA	1,15,000
2	CYBERABAD	HITEC CITY LAYOUT- MADHAPUR	1,20,000
3	CYBERABAD	IP GACHIBOWLI	1,15,000
4	CYBERABAD	IT PARK-MANIKONDA &	1,10,000
5	CYBERABAD	SOFTWARE UNITS LAYOUT- MADHAPUR	1,20,000
6	CYBERABAD	IP RAKAMCHERLA, PUDUR (M)	2,200
7	CYBERABAD	VIKARABAD	6,160
8	CYBERABAD	CHANDULAL BARADARI	33,600
9	CYBERABAD	IHC CHANDULAL BARADARI,	33,600
10	CYBERABAD	KATTEDAN	24,640

Annexure - 6

Cashflow of the Project

Table 7.7 Discounted Cash Flow (INR Mn) – Completed Buildings

Sr. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		476.64	89.00	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		1,460.27	1,638.81	1,839.40	1,918.47	2,014.11	2,125.08	2,218.51	2,311.05	2,342.64	2,519.58	2,781.85
B	Car Parking Income		1.23	1.23	1.23	1.23	1.19	1.11	1.10	1.17	1.17	1.81	2.36
C	Fit-out rentals/ tenant improvements		0.78	0.78	0.78	0.45	0.41	0.41	0.24	-	-	-	-
D	Facility Rentals		1,462.28	1,640.82	1,841.41	1,920.14	2,015.71	2,126.60	2,219.85	2,312.22	2,343.81	2,521.39	2,784.21
E	Maintenance services income		343.11	378.85	402.47	422.59	443.72	465.91	489.20	513.66	539.35	566.31	594.63
F	Other Operating Income		14.60	16.39	18.39	19.18	20.14	21.25	22.19	23.11	23.43	25.20	27.82
G	Revenue from Operations		1,819.99	2,036.06	2,262.27	2,361.92	2,479.57	2,613.76	2,731.24	2,849.00	2,906.58	3,112.90	3,406.66
	Direct Operating Expenses												
H	Maintenance services Expenses		306.67	322.01	338.11	355.01	372.76	391.40	410.97	431.52	453.10	475.75	499.54
I	Property Tax		26.75	27.56	28.38	29.23	30.11	31.02	31.95	32.90	33.89	34.91	35.96
J	Insurance Premium		8.11	8.35	8.60	8.86	9.13	9.40	9.68	9.97	10.27	10.58	10.90
K	Net Operating Income (NOI)		1,478.45	1,678.15	1,887.17	1,968.81	2,067.57	2,181.94	2,278.64	2,374.60	2,409.32	2,591.66	2,860.27
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	35,395.82	-
	Indirect Operating Expenses												
L	Brokerage Fees		31.56	31.64	2.55	8.75	2.65	1.81	5.30	5.70	66.90	63.49	-
M	Property Management Fee		51.69	58.00	65.09	67.88	71.25	75.17	78.47	81.74	82.85	89.13	98.42
N	Other operational expenses		29.23	32.80	36.81	38.39	40.31	42.52	44.39	46.24	46.88	50.43	55.68
O	Net Cashflows		889.33	1,466.71	1,782.71	1,853.80	1,953.36	2,062.43	2,150.47	2,240.92	2,212.69	37,784.43	2,706.16

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

Table 7.8 Discounted Cash Flow (INR Mn) - Under construction (Buildings 1A & 1B)

Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		1,454.00	2,239.00	2,103.00	385.00		-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		-	-	-	527.96	1,254.00	1,369.15	1,430.76	1,495.15	1,562.43	1,632.74	1,706.21
D	Facility Rentals		-	-	-	527.96	1,254.00	1,369.15	1,430.76	1,495.15	1,562.43	1,632.74	1,706.21
E	Maintenance services income		-	-	5.55	96.13	233.81	302.16	317.27	333.13	349.79	367.28	385.64
F	Other Operating Income		-	-	-	5.28	12.54	13.69	14.31	14.95	15.62	16.33	17.06
G	Revenue from Operations		-	-	5.55	629.38	1,500.36	1,685.00	1,762.34	1,843.23	1,927.84	2,016.34	2,108.91
	Direct Operating Expenses												
H	Maintenance services Expenses		-	-	27.41	129.51	196.42	253.84	266.53	279.86	293.85	308.55	323.97
I	Property Tax		-	-	4.60	18.96	19.53	20.11	20.72	21.34	21.98	22.64	23.32
J	Insurance Premium		-	-	1.39	5.75	5.92	6.10	6.28	6.47	6.66	6.86	7.07
K	Net Operating Income (NOI)		-	-	(27.86)	475.16	1,278.49	1,404.95	1,468.81	1,535.56	1,605.35	1,678.30	1,754.56
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	21,712.63	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	-	33.02	145.61	38.22	-	-	-	-	-	-
M	Property Management Fee		-	-	-	18.66	44.33	48.40	50.58	52.85	55.23	57.72	60.31
N	Other operational expenses		-	-	-	10.56	25.08	27.38	28.62	29.90	31.25	32.65	34.12
O	Net cashflows		(1,454.00)	(2,239.00)	(2,163.88)	(84.67)	1,170.85	1,329.17	1,389.62	1,452.81	1,518.87	23,300.56	1,660.12

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

Table 7.9 Discounted Cash Flow (INR Mn) – Future Development (Buildings 7 & 8)

Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		399.09	1,931.81	2,382.83	2,033.85	985.27	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		-	-	-	-	662.05	1,582.49	1,728.44	1,806.22	1,887.50	1,972.43	2,061.19
D	Facility Rentals		-	-	-	-	662.05	1,582.49	1,728.44	1,806.22	1,887.50	1,972.43	2,061.19
E	Maintenance services income		-	-	-	7.06	122.36	297.59	384.58	403.81	424.00	445.20	467.46
F	Other Operating Income		-	-	-	-	6.62	15.82	17.28	18.06	18.87	19.72	20.61
G	Revenue from Operations		-	-	-	7.06	791.02	1,895.91	2,130.30	2,228.09	2,330.37	2,437.36	2,549.26
	Direct Operating Expenses												
H	Maintenance services Expenses		-	-	-	34.89	164.84	250.00	323.08	339.23	356.20	374.00	392.71
I	Property Tax		-	-	-	5.75	23.67	24.38	25.11	25.87	26.64	27.44	28.27
J	Insurance Premium		-	-	-	1.74	7.18	7.39	7.61	7.84	8.08	8.32	8.57
K	Net Operating Income (NOI)		-	-	-	(35.31)	595.34	1,614.14	1,774.50	1,855.15	1,939.46	2,027.59	2,119.73
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	26,231.61	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	-	-	42.02	183.12	48.65	-	-	-	-	-
M	Property Management Fee		-	-	-	-	23.40	55.94	61.10	63.85	66.72	69.73	72.86
N	Other operational expenses		-	-	-	-	13.24	31.65	34.57	36.12	37.75	39.45	41.22
O	Net cashflows		(399.09)	(1,931.81)	(2,382.83)	(2,111.18)	(609.70)	1,477.90	1,678.83	1,755.17	1,834.98	28,150.03	2,005.64

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

Table 7.10 Discounted Cash Flow (INR Mn) - Under construction (Experience Center)

Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		450.00	585.60	46.00	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		-	61.71	127.58	133.32	139.32	145.59	152.14	158.99	166.14	173.62	187.47
D	Facility Rentals		-	61.71	127.58	133.32	139.32	145.59	152.14	158.99	166.14	173.62	187.47
E	Maintenance services income		-	9.08	17.48	25.03	28.03	29.44	30.91	32.45	34.08	35.78	37.57
F	Other Operating Income		-	0.62	1.28	1.33	1.39	1.46	1.52	1.59	1.66	1.74	1.87
G	Revenue from Operations		-	71.41	146.34	159.68	168.75	176.48	184.57	193.03	201.88	211.13	226.91
	Direct Operating Expenses												
H	Maintenance services Expenses		-	6.78	14.69	21.03	23.55	24.73	25.96	27.26	28.63	30.06	31.56
I	Property Tax		-	1.17	1.79	1.85	1.90	1.96	2.02	2.08	2.14	2.21	2.27
J	Insurance Premium		-	0.35	0.54	0.56	0.58	0.59	0.61	0.63	0.65	0.67	0.69
K	Net Operating Income (NOI)		-	63.11	129.31	136.25	142.72	149.20	155.98	163.06	170.46	178.20	192.39
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	2,380.85	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	20.99	-	-	-	-	-	-	-	-	-
M	Property Management Fee		-	2.18	4.51	4.71	4.92	5.15	5.38	5.62	5.87	6.14	6.63
N	Other operational expenses		-	1.23	2.55	2.67	2.79	2.91	3.04	3.18	3.32	3.47	3.75
O	Net cashflows		(450.00)	(546.90)	76.25	128.87	135.01	141.14	147.55	154.26	161.27	2,549.44	182.02

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

Table 7.11 Opinion Market Value of the Land

Particulars	Land Area (sq. m.)	Unit Value (INR per sq. m.)	Unit Valuation of the Land (INR Million per Acre)	Total Value (INR Million)
Opinion Market Value of the Land under the Project using Guideline Value Method	7,243.95	120,000.00	485.63	869.27

Annexure - 7

Material Litigations

1. Title litigation and irregularities

Softsol India Limited ("**Softsol**") and others ("**Petitioners**") have filed writ petition on February 8, 2013 in the Hyderabad High Court ("**Court**") against KRIT (wrongly named as M/s. K Raheja Corporation) and others ("**Respondents**") *inter alia* seeking declaration (a) that the allotment of land admeasuring approximately 4500 square yards (3763 square metres) ("**Suit Land**") of land adjacent to Softsol's plot is illegal and (b) for handover of the same to the Industrial Area Local Authority ("**IALA**"), being one of the Respondents, for developing the Suit Land as a common facility centre / area / park for general use by software companies. The Suit Land is part of the land admeasuring approximately 110 acres allotted by the Government of Andhra Pradesh to KRIT for the Mindspace Madhapur project.

By an ex-parte interim stay order dated February 11, 2013 ("**Stay Order**"), it was *inter alia* directed by the Court that, no construction activity shall be undertaken or continued over the triangular piece of 2 acres 40 cents of land earlier identified at the time of allotment as 'Common Facility Centre' in the software layout. IALA and APIIC have filed affidavits opposing the writ petition, confirming the allotment and rights of KRIT in the Suit Land, and for vacating the Stay Order. The matter is pending before the Court.

Greater Hyderabad Municipal Corporation ("**GHMC**") had filed an application in the Court for clarification that the Stay Order does not preclude GHMC from acquiring a portion of 0.14 acres (approximately 567 square meters) for road widening. Subsequently, GHMC has acquired the portion of land and constructed the road. The matter is listed for hearing on January 4, 2023. The matter was listed for hearing on March 7, 2023 however due to a public holiday it was not heard and has now been posted for hearing on April 12, 2023.

2. Criminal matters

Sharmin Habib ("**Complainant**") lodged a first information report ("**FIR**") on October 10, 2017 with the Madhapur Police Station alleging that certain staff members of the Raheja Group ("**Accused**") prevented the Complainant and a staff from entering the premises for conducting the business of a day care centre in the name of Kidz Paradise in Building No. 2.B, Mindspace Madhapur (KRIT), and harassed them. The concerned investigating officer has filed final report dated November 16, 2017 of the matter before the Metropolitan Magistrate, Kukatpally at Miyapur, Cyberabad ("**Court**"), stating *inter alia* that while there was a rental dispute between the Complainant and the Accused which was pending in the Court, the particular incident was in relation to a regular security aspect of access in the IT Park being allowed on showing identity card, whereas Complaint tried to enter without showing identity card. The investigating officer also reported that the Complainant did not comply with the notices under Section 91 of the Criminal Procedure Code, and that no such incident had occurred as alleged by the Complainant. The investigating officer further recorded that the complaint was filed on completely flimsy grounds and filed the final report before the Court recommending closure of the case on basis of lack of evidence. The matter is currently pending.

3. Regulatory actions

The Comptroller and Auditor General of India ("**CAG**") had issued a report on public sector undertakings for the year ended March 2016 ("**CAG Report**") where certain audit observations were made with respect to certain public sector undertakings including: (a) a low rate of return on investments made by APIIC (now, TSIIC) in KRIT; (b) allocation of the development and construction of complexes for IT and ITES companies to K. Raheja Corporation Private Limited by the erstwhile Government of Andhra Pradesh ("**GoAP**") without adopting a due tender process; (c) transfer of certain portion of land to non-IT/ITES sister companies of the KRC group, namely, Trion Properties Limited – Inorbit Malls and Chalet Hotels– Westin Hotel

at a discounted price, in violation of GoAP directions dated August 11, 2003 and without prior consultation with APIIC, pursuant to the demerger of KRIT. KRIT responded to the observations under the CAG report by its letter dated September 21, 2017 submitting its issue-wise detailed explanations and explaining various factual inaccuracies in respect of the said observations under the CAG Report, denying the irregularities and deficiencies. No further correspondence has been received.

KRIT had proposed a rights issue of shares in which Andhra Pradesh Industrial Infrastructure Corporation ("**APIIC**") (now, TSIIC) abstained from subscribing to the rights shares. Consequently, upon closure of the rights issue subscription by the other shareholders of KRC group, the stake of APIIC in KRIT reduced from 11%. Thereafter, upon demerger of certain undertakings of KRIT into Intime and Sundew, the APIIC's stake reduced in each of these entities instead of what it was initially at 11%. Such rights issue of shares was undertaken in compliance with applicable law and agreement between the parties, and after KRIT had waited over one year for APIIC to decide.

Subsequently, APIIC / GoAP disputed such dilution of their stake in KRIT, Intime and Sundew, which led to an inquiry by Vigilance and Enforcement Department of GoAP against the Government Officials and correspondingly, KRIT. APIIC issued a letter dated July 10, 2012 to KRIT, referring to a report of vigilance and enforcement department ("**VED Report**") in relation to the Mindspace Madhapur project. Subsequently, the equity stake of APIIC was restored to 11% in KRIT, Intime and Sundew together with compensating APIIC for any loss of corporate benefits in the intervening period. The VED Report alleged certain irregularities, which include alleging a financial loss to APIIC and GoAP pursuant to sale of the land to its sister concerns and sale of constructed area, at a nominal price, dilution of 11% equity stake of APIIC and loss of immovable asset base to APIIC due to the dilution of equity.

KRIT denied such irregularities, violations or financial loss caused to APIIC /GoAP. While denying the loss alleged by APIIC, KRIT, Intime and Sundew provided a joint undertaking dated February 14, 2014 to APIIC *inter alia* undertaking (i) to pay the amounts to APIIC in respect of APIIC's claim of losses, due to any differences in values pertaining to the sale transactions in Mindspace Madhapur project; (ii) that payments shall be made by KRIT within 30 days of receipt of such written demand from APIIC; and (iii) that KRIT shall be bound by the decision of APIIC and comply with the same within the stipulated timelines.

KRIT has further provided an undertaking dated October 24, 2016 to APIIC, *inter alia* undertaking to pay losses incurred by Government of Telangana /APIIC as per the VED Report and to maintain the agreed shareholding of the Government of Telangana or APIIC in KRIT, Intime and Sundew post conversion of KRIT to public limited company and the Government of Telangana/ APIIC will not be required to infuse additional funds to maintain its equity stake in KRIT, Intime and Sundew.

While KRIT has attempted to make payments to the extent of the loss incurred by APIIC along with interest, by letter dated April 23, 2019, APIIC has confirmed to KRIT that it will be informed about the quantum of the amount to be paid, once the quantum of loss is determined by an independent third party appointed for such purpose. KRCPL, by way of its letter dated December 9, 2019, has undertaken that it shall assume any financial liability that KRIT, Intime or Sundew may incur in this behalf.

The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 ("Income Tax Act") against Gigaplex ("Parties"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act directing them to prepare and furnish true and correct returns of total income for assessment years ("AY") from 2008-2009, 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department

issued notices under Section 142(1)/143(2) of the Income Tax Act for assessment years 2008-2009, 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Parties from time to time.

Post the Warrant, the assessment proceedings under section 153A of the Income Tax Act were initiated for AY 2012-13 to AY 2018-19. The assessment under section 143(3) read with section 153A of the Income Tax Act for AY 2012-2013 to AY 2017-2018 and under Section 143(3) of the Income Tax Act, for AY 2018-2019 were completed. KRIT filed appeals before the CIT(A) against the order for AY 2012-13 to AY 2017-18 and against the order for AY 2018-19 which are currently pending.

4. Material civil/commercial litigation

KRIT filed an arbitration application on September 21, 2015 before the Hyderabad High Court ("**High Court**") against Premier Kinder Care Services Private Limited ("**Premier**"). KRIT prayed for appointment of sole arbitrator to resolve disputes between KRIT and Premier in relation to (a) the term sheet dated March 10, 2011 entered into between KRIT and Premier for grant of lease by the KRIT to Premier in respect of Unit No. 2 admeasuring 3171 sq. ft. in Building No.2B at Mindspace Madhapur (KRIT) ("**Premises**"); (b) failure of Premier in making payments of ₹ 11.42 million due on account arrears of rent, balance security deposit together with interest thereon and (c) to deliver the possession of the Premises to KRIT. The notice of the petition has been served on Premier by publication in newspapers, pursuant to the order of the High Court dated November 25, 2016. The High Court by its order dated March 11, 2020 allowed the application for appointment of sole arbitrator. The arbitrator was appointed. By award dated July 22, 2021 ("**Award**"), the arbitrator allowed the claim of KRIT and a mediator was appointed who has submitted the mediator report dated August 2, 2021 to KRIT. The possession of the premises was taken and leased out.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 specialized information furnished by the third-party organizations, and this is believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Mindspace Madhapur (Intime Properties Limited), Madhapur, Hyderabad

Telangana, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

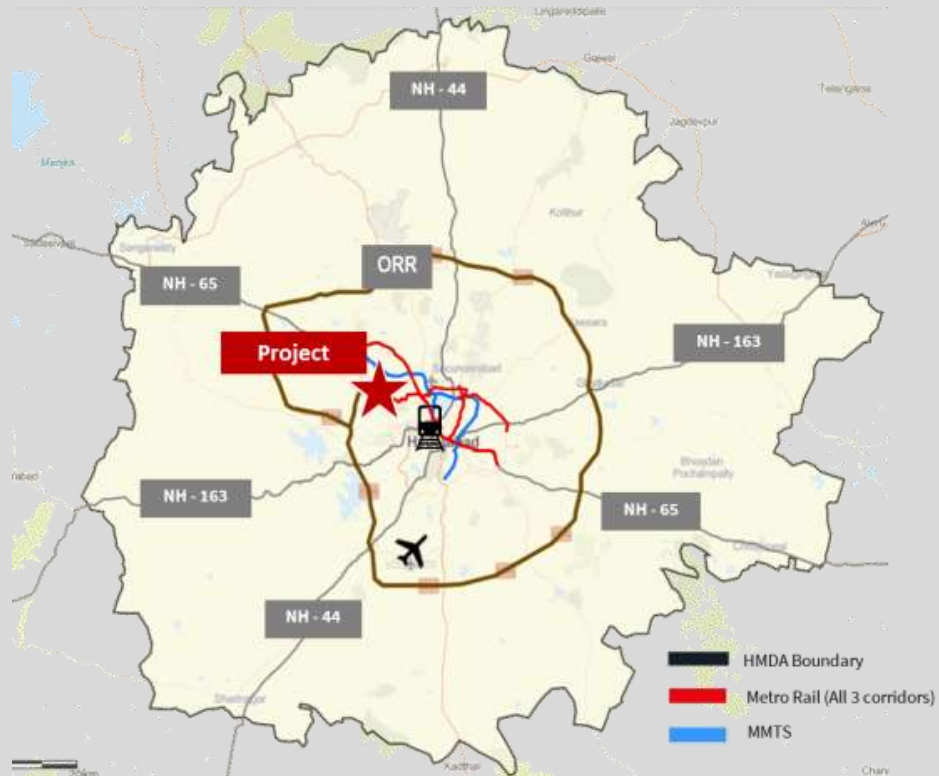
Property Name	Mindspace Madhapur (Intime), Madhapur, Hyderabad, Telangana, India 500 081
Property Address	Mindspace Madhapur, Titus Towers, TSIIIC software layout, Madhapur, Hyderabad, Telangana, 500081
Land Area	8.52 Acres
Brief Description	<p>The Project is located in Madhapur micro market in the Western part of Hyderabad; it is located adjacent to Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport. The proposed Metro Phase 2 would connect Raidurg to Hyderabad International Airport, which would further improve the connectivity of the Project.</p> <p>The Project is developed as Grade A IT Park and comprises of 1.74 million sq. ft. of leasable area spread across three IT Buildings (5B, 6, 9). The Project has excellent visibility along the access road and has 3 entry and exit points.</p> <p>The Project is surrounded by mixed use development comprising residential, retail, and commercial developments.</p>

Asset Details Leasable area details for Intime Properties Limited as shared by the Client is given below:

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 5B	245,977
2.	Building 6	388,543
3.	Building 9	1,107,237
	Total Leasable Area	1,741,757

Based on the site inspection, all buildings are operational. There are no under-construction buildings within the property.

Location Map



Key Assumptions The table below summarizes key Valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / IT Office with Amenities
Current Status	Completed and Operational
Total Leasable Area	1,741,757 sq. ft.
Revenue Assumptions	
In-Place Rent	INR 67.7 per sq. ft. per Month
Market / Marginal Rent	INR 71.0 per sq. ft. per Month
Parking Rent	INR 2,000 per CPS per Month
Financial Assumptions	
Exit Cap Rate	8.00%
Discount Rate / WACC	11.75%

For Completed Project - **INR 16,830.84 million** (INR Sixteen Billion Eight Hundred Thirty Million Eight Hundred and Forty Thousand Only)

Market Value

*Note: Based on the inputs provided by Client, the valuation presented is for 89% interest of Mindspace REIT in the project only. The total value of the asset with 100% interest is **INR 18,911.06 million** (INR Eighteen Billion Nine Hundred Eleven Million and Sixty Thousand Only)*

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LIST OF ABBREVIATIONS

BPO	Business Process Outsourcing
CBD	Central Business District
DCR	Development Controls & Regulations
GHMC	Greater Hyderabad Municipal Corporation
HMDA	Hyderabad Metropolitan Development Authority
INR	Indian National Rupees
IT/ITES	Information Technology/IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
km	Kilo-metre
NH	National Highway
ORR	Outer Ring Road
PBD	Peripheral Business District
RICS	Royal Institution of Chartered Surveyors
SEBI	Securities and Exchange Board of India
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft.	square feet
sq. m.	square metre
REIT	Real Estate Investment Trust
Y-o-Y	Year-on-Year

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project named '**Mindspace Madhapur (Intime)**' located in **Madhapur, Hyderabad**, Telangana, India (hereinafter referred to as the 'Project'). The Project is an operational IT Park having leasable area of about 1.74 million sq. ft. As instructed by the Client and based on information provided, the following buildings have been considered under the purview of this valuation exercise.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sr. NO.	Building Name	Leasable Area (sq. ft.)
1.	Building 5B	245,977
2.	Building 6	388,543
3.	Building 9	1,107,237
	Total Leasable Area	1,741,757

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal Institution of Chartered Surveyors ("RICS"), Fellow and Lifetime Member of Institute of Valuers, India ("IOV"), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER'S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The project was inspected on 01 April 2023 by the Valuer in the presence of client-nominated representative, and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment

material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational commercial / office space, the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted a exit cap rate of 8% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective contribution to the total capital of the company (WACC).

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate considering the location of Project and market dynamics of the micro market, has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

This derived discount rate was found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Mindspace Madhapur (Intime), Madhapur, Hyderabad, Telangana, India 500 081																					
Property Address	Mindspace Madhapur, Titus Towers, TSIC software layout, Madhapur, Hyderabad, Telangana, 500081																					
Land Area	8.52 Acres																					
Brief Description	<p>The Project is located in Madhapur micro market in the Western part of Hyderabad; it is located adjacent to Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport. The proposed Metro Phase 2 would connect Raidurg to Hyderabad International Airport, which would further improve the connectivity of the Project.</p> <p>The Project is developed as Grade A IT Park and comprises of 1.74 million sq. ft. of leasable area spread across three IT Buildings (5B, 6, 9). The Project has excellent visibility along the access road and has 3 entry and exit points.</p> <p>The Project is surrounded by mixed use development comprising residential, retail, and commercial developments.</p>																					
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table><tr><th>Sr. No.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>Building 5B</td><td>245,977</td></tr><tr><td>2.</td><td>Building 6</td><td>388,543</td></tr><tr><td>3.</td><td>Building 9</td><td>1,107,237</td></tr><tr><td colspan="2">Total Leasable Area</td><td>1,741,757</td></tr></table> <p>Based on the site inspection, all buildings are operational. There are no under-construction buildings within the project.</p>	Sr. No.	Building Name	Leasable Area (sq. ft.)	1.	Building 5B	245,977	2.	Building 6	388,543	3.	Building 9	1,107,237	Total Leasable Area		1,741,757						
Sr. No.	Building Name	Leasable Area (sq. ft.)																				
1.	Building 5B	245,977																				
2.	Building 6	388,543																				
3.	Building 9	1,107,237																				
Total Leasable Area		1,741,757																				
Valuation Methods	For completed and operational Buildings, the estimate of Market Value is prepared using 'Discounted Cash Flow Method' using Rent Reversion																					
Nature of the Interest by the Client	89% freehold interest in the Project as informed by the Client																					
Purchase Price of the Project	<p>INR 13,517.33 million, as given by the Client</p> <p><i>Note: Based on the inputs provided by client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is INR 15,188.01 million</i></p>																					
Historical Valuation of the Project in 3 Previous Years	<p>Below table summarizes historical valuation of the Project as given by the Client:</p> <table><tr><th>Sr. No.</th><th>Date of Valuation</th><th>Total Market Value (INR Mn)</th></tr><tr><td>1.</td><td>30-Sep-2022</td><td>16,775</td></tr><tr><td>2.</td><td>31-Mar-2022</td><td>16,436</td></tr><tr><td>3.</td><td>30-Sep-2021</td><td>16,204</td></tr><tr><td>4.</td><td>31-Mar-2021</td><td>15,790</td></tr><tr><td>5.</td><td>30-Sep-2020</td><td>16,061</td></tr><tr><td>6.</td><td>31-Mar-2020</td><td>15,501</td></tr></table> <p><i>Note: The above figures are for 89% interest of Intime Properties Limited in the Project.</i></p>	Sr. No.	Date of Valuation	Total Market Value (INR Mn)	1.	30-Sep-2022	16,775	2.	31-Mar-2022	16,436	3.	30-Sep-2021	16,204	4.	31-Mar-2021	15,790	5.	30-Sep-2020	16,061	6.	31-Mar-2020	15,501
Sr. No.	Date of Valuation	Total Market Value (INR Mn)																				
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4.	31-Mar-2021	15,790																				
5.	30-Sep-2020	16,061																				
6.	31-Mar-2020	15,501																				

Ready Reckoner Rate	For Built-up Area Ground floor – INR 7,300 per sq. ft. and first & other floors - INR 6,600 per sq. ft. Land Rate – INR 44,900 per sq. yard.
Date of Valuation	31-Mar-2023
Date of Inspection	01-Apr-2023
Market Value as on 31-Mar-2023	For Completed Project - INR 16,830.84 million (INR Sixteen Billion Eight Hundred Thirty Million Eight Hundred and Forty Thousand Only) <i>Note: Based on the inputs provided by Client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is INR 18,911.06 million (INR Eighteen Billion Nine Hundred Eleven Million and Sixty Thousand Only)</i>
Matters Affecting the Property and its Value	Please refer to Chapter 7 of this Valuation Report
Assumptions, Disclaimers, Limitations and Qualifications	This Valuation Report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report, which are made in conjunction with those included within the Assumptions, Limitations & Qualifications section located within this report. Reliance on this report and extension of Valuer's liability is conditional upon the reader's acknowledgement and understanding of these statements. This Valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party, who may use or rely on the whole or any part of the content of this Valuation Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Project
Prepared by	KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164) Represented through its Director Mr. Sachin Gulaty FRICS FIV FIIA IBBI/RV/02/2021/14284



Name: Sachin Gulaty FRICS FIV FIIA
Designation: Director
Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5.1: Details of the Project Site and/or Project

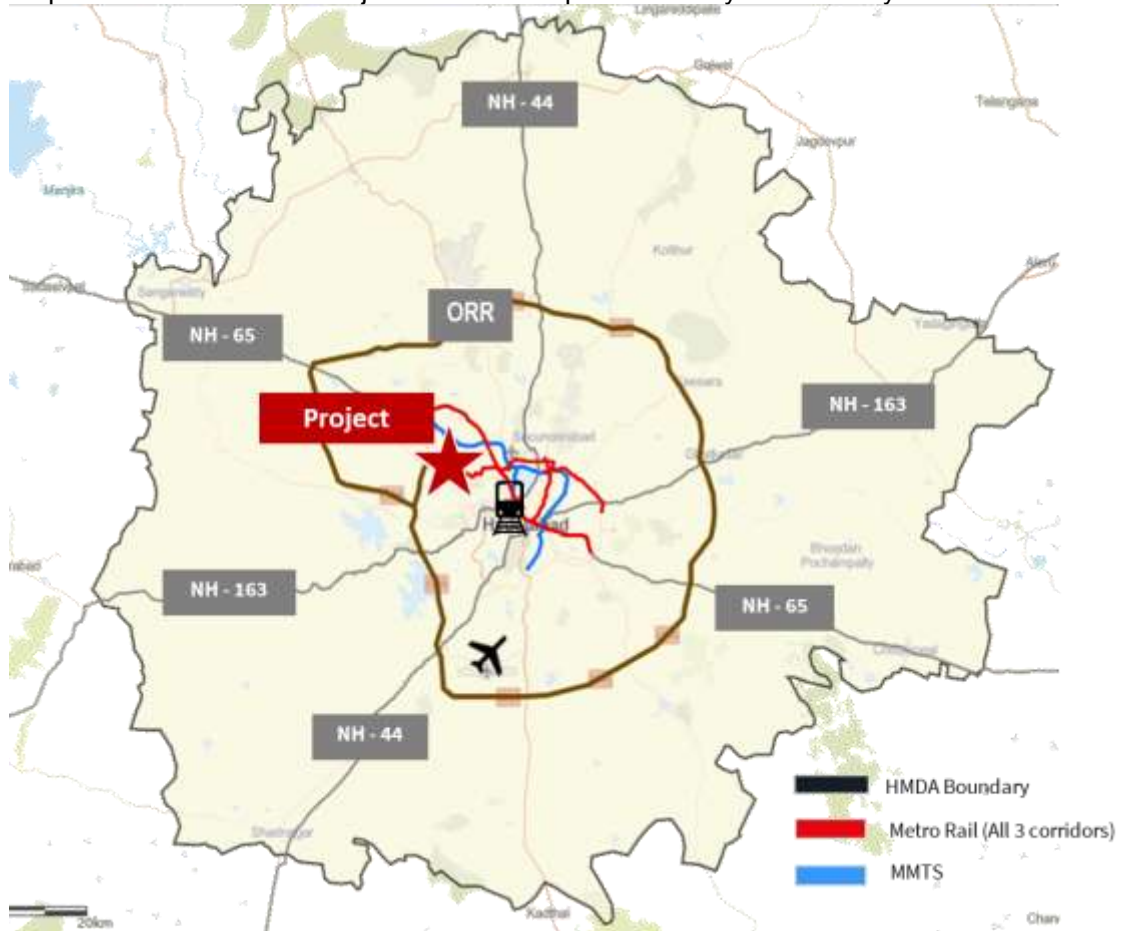
DETAILS OF PROPERTY		
Property Name	Mindspace Madhapur (Intime), Madhapur, Hyderabad, Telangana, India 500 081	
Property Address	Mindspace Madhapur, Titus Towers, TSIC software layout, Madhapur, Hyderabad, Telangana, 500081	
Land Area	8.52 Acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sr. No.	Building Name
	1.	Building 5B
	2.	Building 6
	3.	Building 9
	Total Leasable Area	
	Leasable Area (sq. ft.)	
	245,977	
	388,543	
	1,107,237	
	1,741,757	
Based on the site inspection, all buildings are operational. There are no under-construction buildings within the project.		
Access	Accessible through 60 m wide Hitech City Main Road and 36 m wide internal road	
Frontage	Excellent frontage along the abutting road	
Shape and Visibility	Regular in shape and has excellent visibility along the abutting road	
Approval Status	Project has requisite approvals in place as confirmed by the Client.	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The Project is located in Madhapur in the Western part of Hyderabad. It is located adjacent to the Raidurg Metro Station and at a distance of ~ 31 km from Hyderabad International Airport.

The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Hyderabad City



Source: Real Estate Market Research & Analysis; JLL, March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Raidurg Metro station	Adjacent to the Mindspace Park
Cyber Tower	~ 1.3
Inorbit Mall	~ 1.4
Outer Ring Road (ORR)	~ 2.5
Secunderabad Railway station	~ 19
Hyderabad International Airport	~ 31

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as IT Park and is located in Madhapur micro market of Hyderabad. It is located accessible through 60 m wide road from HITEC City main road and 36 m internal road. In terms of Project Site attributes, the Project Site is regular in shape and has relatively flat terrain. The Project has excellent frontage and visibility along the abutting road and the overall IT Park has 3 entry / exit points. The Project is regular in shape with fairly even topography.

The Project is spread across ~8.52 acres of land and spread across three buildings with total leasable area of ~ 1.74 million sq. ft.

The Project micro market has excellent social and physical infrastructure and is the most sought-after micro market for Commercial office in Hyderabad.

The following map presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments



Source: Real Estate Market Research & Analysis; JLL, March 2023

The table below presents the boundary/edge conditions of the Project (overall Mindspace Park).

Table 5.3: Project (overall Mindspace Park) and its Site Boundaries

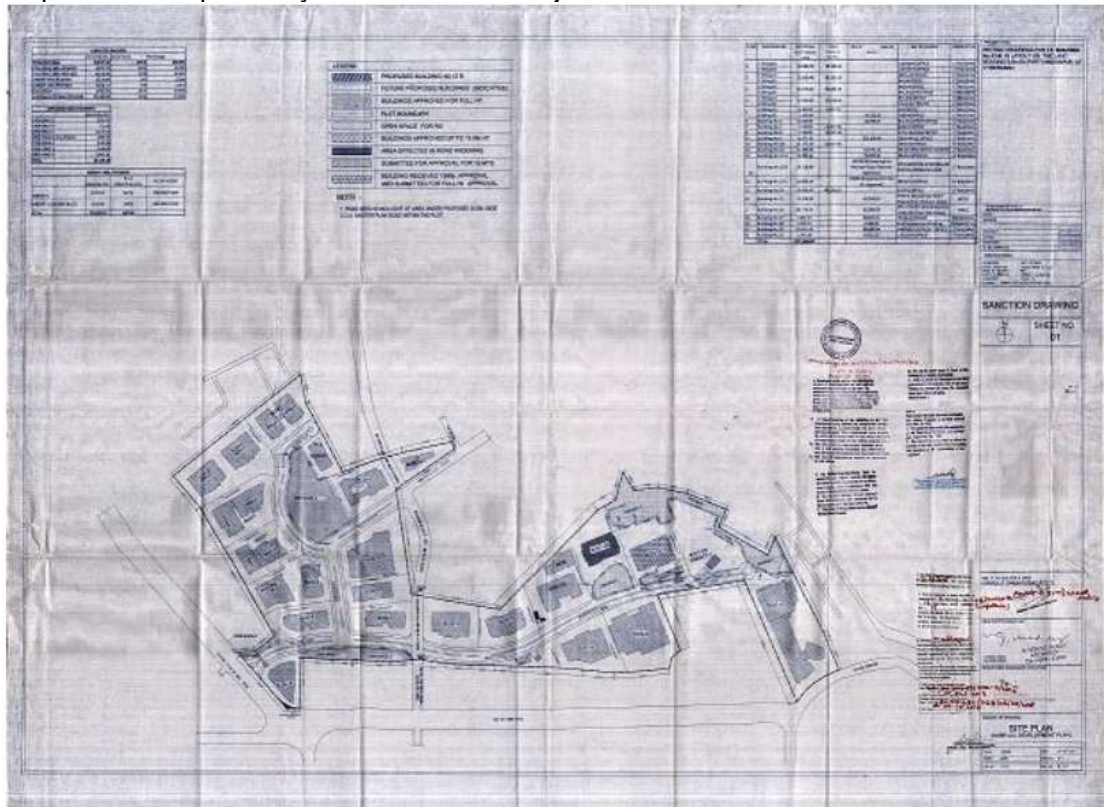
North	Private Property
South	Private Property and 36 m wide road
West	60 m wide road (HITEC City main road)
East	Private Property and 24 m wide road

Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project is predominantly surrounded by Grade A commercial / office, residential, retail and hospitality developments.

Map on the following page presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, March 2023

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 1.74 million sq. ft. spread across three buildings i.e., Building 5B, 6 and 9. All the buildings are completed & operational and are non-SEZ buildings. The following table presents the details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 5B	245,977
2.	Building 6	388,543
3.	Building 9	1,107,237
	Total Leasable Area	1,741,757

Source: Client, March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Total utility areas and internal roads
- Total open spaces

Table on the following page presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project

Particulars	Description		
Name of the Entity	Intime Properties Limited		
Interest owned by Mindspace REIT	Project is wholly owned by Intime Properties Limited, which is 89% owned and controlled by Mindspace REIT ^{1/}		
Land Extent	8.52 Acres		
Asset Type	IT Park with Non-SEZ buildings		
Sub-Market	Madhapur		
Approved and Existing Usage	IT Offices		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sr. No.	Building Name	Age of the Building
	1.	Building 5B	~ 15 years
	2.	Building 6	~ 14 years
	3.	Building 9	~ 14 years
Current Status	100% Complete and Operational		
Approvals Status	List of approvals are specified in annexure 4		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	1.74 million sq. ft.		
Occupied Area	1.67 million sq. ft.		
Occupancy ^{3/}	88.4%		
Committed Occupancy ^{4/}	95.9%		
Number of Tenants	31		

^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 1.74 million sq. ft.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

5.5 PROJECT INSPECTION

The Project is part of a larger campus having total leasable area of 1,741,757 sq. ft. spread across three (3) IT Buildings (5B, 6 & 9). All buildings are completed & operational and are non-SEZ buildings, The Project was inspected on 01 April 2023 by the Valuer.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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

Some of the photographs of the Project and surroundings are given below



5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

Table 5.6: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)	Usage Type	Status	Age of the Building
1.	Building 5B	245,977	Non - SEZ	Completed	~ 15 years
2.	Building 6	388,543	Non - SEZ	Completed	~ 14 years
3.	Building 9	1,107,237	Non - SEZ	Completed	~ 14 years

Developable Area of the Project

The Total area of the Project is ~ 8.52 acres with a total leasable area of ~ 1.74 Mn sq. ft under 3 buildings

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings.

Environmental Considerations

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

For the purpose of assessing the vulnerability of the Project 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. Hyderabad where the Project is located falls in Seismic Zone II with low risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. Project is regular in shape with fairly even topography. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the valuer, relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS**Tenant Profile of Top 10 Tenants**

As on 31st March 2023, The Project has 31 tenants which include companies like Qualcomm India, BA Continuum Verizon, Wework, HSBC, Vodafone etc. The Project's Top 10 tenants account 92.6% of the Gross Rental Income. Top 10 Tenants as per leasable areas is listed below: -

Table 5.7: Top 10 Tenants as per Leasable Area*

Sr. No.	Tenant	Leasable Area (sq. ft.)
1	Qualcomm India Private Limited	574,421
2	BA Continuum India Pvt Ltd	245,977
3	Verizon Data Services India Pvt. Ltd.	184,111
4	Wework India Management Private Limited	101,857

Sr. No.	Tenant	Leasable Area (sq. ft.)
5	HSBC Electronic Data Processing India Pvt Ltd.	99,760
6	Vodafone Idea Limited	96,377
7	Oplus India Research and Development India Pvt Ltd	72,336
8	Newmark CRE Services Pvt Ltd	65,309
9	ACS Global Tech Solutions Pvt Ltd	55,891
10	Teleperformance Global Services Private Limited	55,631
	TOTAL	1,551,670

* Includes contracted areas for which rent may start at a future date

The top 10 Tenants as per Gross Rents are listed below: -

Table 5.8: Top 10 Tenants as per Gross Rentals*

Sr. No.	Tenant	Share of Gross Rentals
1	Qualcomm India Private Limited	33.5%
2	BA Continuum India Pvt Ltd	12.7%
3	Verizon Data Services India Pvt. Ltd.	11.4%
4	Vodafone Idea Limited	6.3%
5	Wework India Management Private Limited	6.1%
6	HSBC Electronic Data Processing India Pvt Ltd.	6.0%
7	Oplus India Research and Development India Pvt Ltd	4.9%
8	Newmark CRE Services Pvt Ltd	4.4%
9	Teleperformance Global Services Private Limited	3.6%
10	ACS Global Tech Solutions Pvt Ltd	3.6%
	TOTAL	92.6%

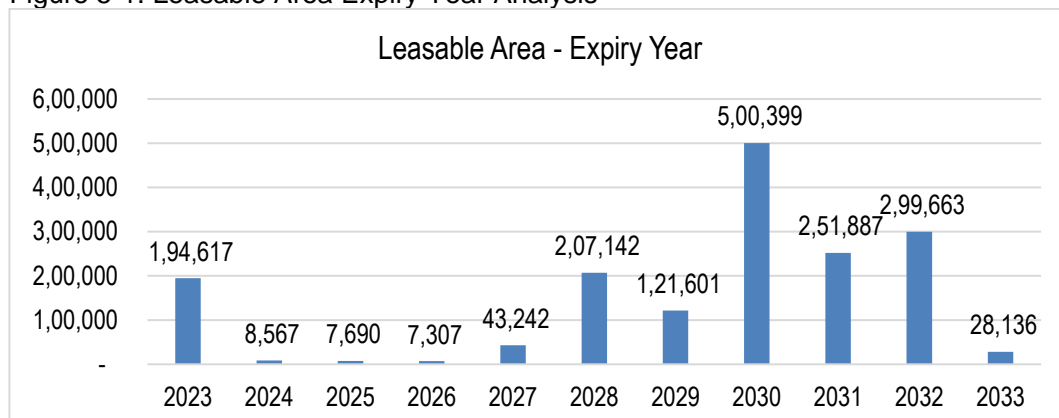
Source: Analysis, March 2023

* Includes contracted areas for which rent may start at a future date

Lease Expiry Analysis

The WALE of the project is 6.4 years, with ~30% of occupied area is expiring CY 2030 as shown in the chart below:

Figure 5-1: Leasable Area Expiry Year Analysis



Source: Analysis, March 2023

Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 5% every year or 15% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Hyderabad is one of the fastest-growing cities in India. The city has succeeded in building on its IT/ITeS and pharmaceutical capabilities and managed to attract several global technology and pharmaceutical giants to invest in and operate from the city. In 2020, Hyderabad topped the JLL City Momentum Index (CMI) for the second time after 2018. An active real estate market with healthy rental growth along with a thriving start-up culture have been the catalysts for Hyderabad to surpass all other major metro cities around the world and top the index. Proactive initiatives and investor friendly policies such as the new industrial policy of TS-iPass by the state government has driven the fast and strong economic growth of the city in the last 5 years.

The city is also home to 4,000 start-ups, primarily in the field of AI, Life sciences and Big Data analytics. The 2020 Global Start-up Ecosystem Report (GSER) by start-up Genome and the Global Entrepreneurship Network has put the state of Telangana among the top 30 global ecosystems for affordable talent in 2020 and Hyderabad is amongst the Top 100 emerging ecosystems.

IT/ITeS and pharmaceutical industries are the two major sectors that contribute maximum to the city's GDP. Defying all the covid disruptions, IT exports by Telangana in FY 2021-22 grew by 26% to INR 1,83,569 crore, compared to the national average of 17%. During the same year, the state added approximately 1,49,506 new jobs at an annual growth rate of 23.8%. This accounts for one third of the total IT jobs added in the country during the same period. Along with IT/ITeS, the pharmaceutical industry adds significantly to the exports from the city by commanding a 30% share in India's bulk drug production.

Owing to its robust and fast-developing infrastructure along with ease of living that offers a cosmopolitan environment, Hyderabad is amongst the most preferred destinations by the young workforce of the country. As per India Workforce Report by LinkedIn, Hyderabad is the 3rd largest city to attract people from every corner of India. Hyderabad accounts for about 8.5% of total immigrants across cities in India.

6.3 INFRASTRUCTURE INITIATIVES

The Telangana State Road Transport Corporation's (TSRTC) city buses, and Indian Railways' Multi-Modal Transport System along with Hyderabad Metro Rail (HMR) form the key public transport system for Hyderabad city. The current Hyderabad Metro Rail network consists of 57 stations covering 67 km. This connects the eastern and western parts of the city through the dense CBD of Hyderabad. This service is further being extended to connect the Rajiv Gandhi International airport at Shamshabad with the IT hubs- Madhapur, Gachibowli, and surrounding areas in the western part. Over the last 3 years, the city has experienced massive road development projects in all major areas.

The major infrastructure push to Hyderabad is being carried out through the most comprehensive road development plan. The flagship program by the state government and Greater Hyderabad Municipal Corporation (GHMC) is aimed to improve 54 junctions in the

city by building new elevated flyways and underpasses along with the construction of new roads. The INR 24,000 crore project involves improving the traffic congestion in the city and use it as a catalyst to improve the ease of living.

Existing infrastructure

Existing Project	Completion timeline	Details	Key Impact Zones
Nehru Outer Ring Road (ORR)	2008 – 2018 (in phases)	158 km elevated 8-lane expressway built to encircle city periphery	Madhapur, Gachibowli
Rajiv Gandhi International Airport (RIGA)	2008 (On-going expansion)	Improved air connectivity of Hyderabad with key cities across the world. Direct air connectivity with the key cities in the USA, UK, Europe, Middle East, Singapore, and Hong Kong.	Suburbs Others, Gachibowli
PVNR Expressway	2009	11.6 km signal-free elevated highway from Mehdiapatnam to Attapur	SBD, Suburbs Others
Durgam Cheruvu Bridge	2020	0.5 km cable bridge over Durgam Cheruvu connecting Jubilee Hills to Madhapur Reduces travel time	SBD
Strategic Road Development Programme (SRDP)	Started in 2018	-	CBD, SBD, Madhapur, Gachibowli, Suburbs Others

Source: Real Estate Market Research & Analysis; JLL, March 2023

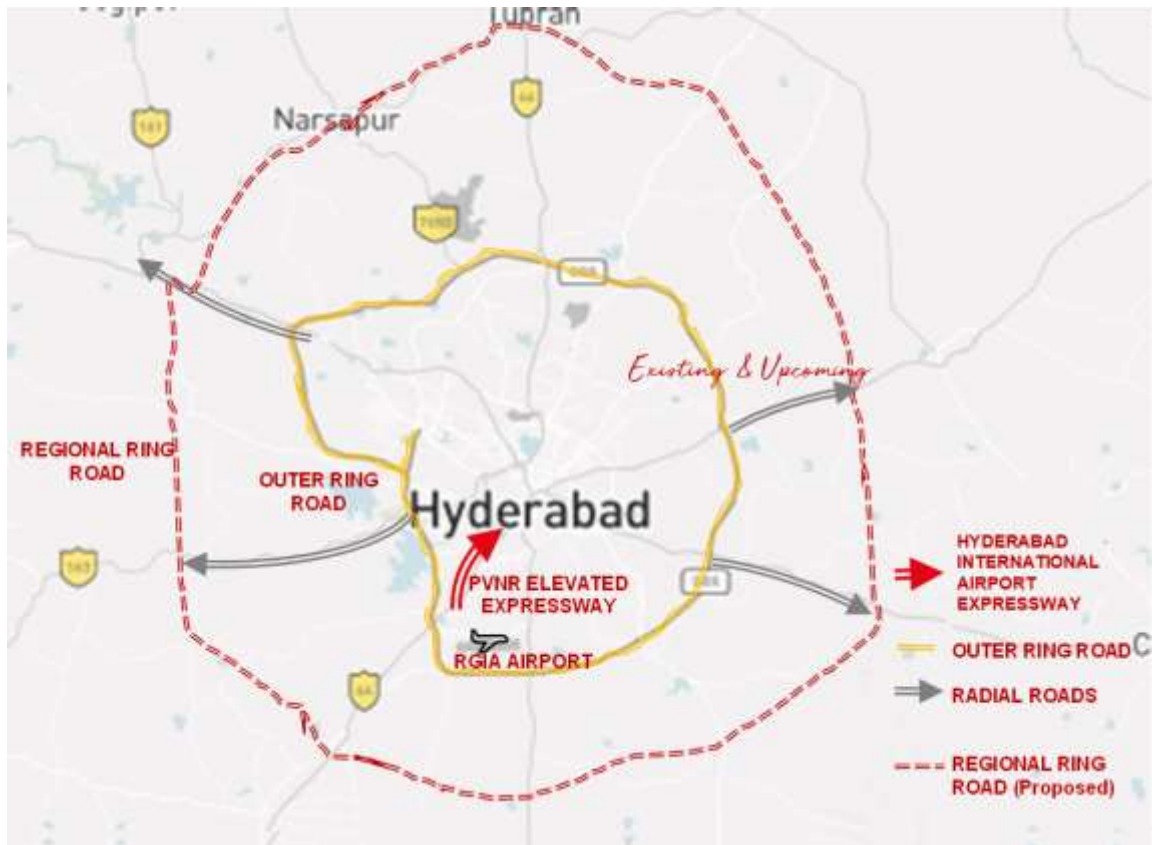
Upcoming Infrastructure

Some of the key upcoming projects for the city are mentioned below:

Existing Project	Completion timeline	Details	Key Impact Zones
Regional Ring Road	NA	6 lane, 330 km Circular Road network to be developed around extended suburbs of Hyderabad city to ensure excellent connectivity with supporting smaller towns around Hyderabad. Intercity connectivity with other districts of Telangana is likely to improve	NA
Elevated Corridors	2022 - 2024	Elevated Road network in key junctions of the city Helps in easing traffic congestion	Suburbs Others, CBD, SBD
Elevated Bus Rapid Transport System (EBRTS)	NA	To complement Hyderabad's transport infrastructure, an elevated BRTS is planned between KPHB and the Financial District with further extension up to Kokapet. Being implemented by the Hyderabad Airport Metro Limited EBRTS will have 23 stops for electric buses and aims to resolve the traffic congestion along the Metro corridor.	Madhapur, Gachibowli

Source: Real Estate Market Research & Analysis; JLL, March 2023

Hyderabad – Key existing and upcoming roads in the city



Source: Real Estate Market Research & Analysis; JLL, March 2023

Existing Metro Rail Lines

Hyderabad Metro Rail Phase 1 is fully operational with coverage of ~69 kms. Since the announcement of the Metro Rail Project in 2017, Hyderabad's real estate witnessed a boost along its corridors. Phase II of this project traverses ~58 kms network connecting airport and other residential suburbs; Raidurg to Shamshabad network by ~ 31 kms; LB Nagar to Nagole ~5kms and Lakdikapul to BHEL by ~ 22kms.

Existing Project	Completion timeline	Details	Key Impact Zones
Hyderabad Metro Rail – Phase I	2017 - 2020	69 km elevated network connecting eastern and western parts of city via CBD	SBD, CBD, Madhapur

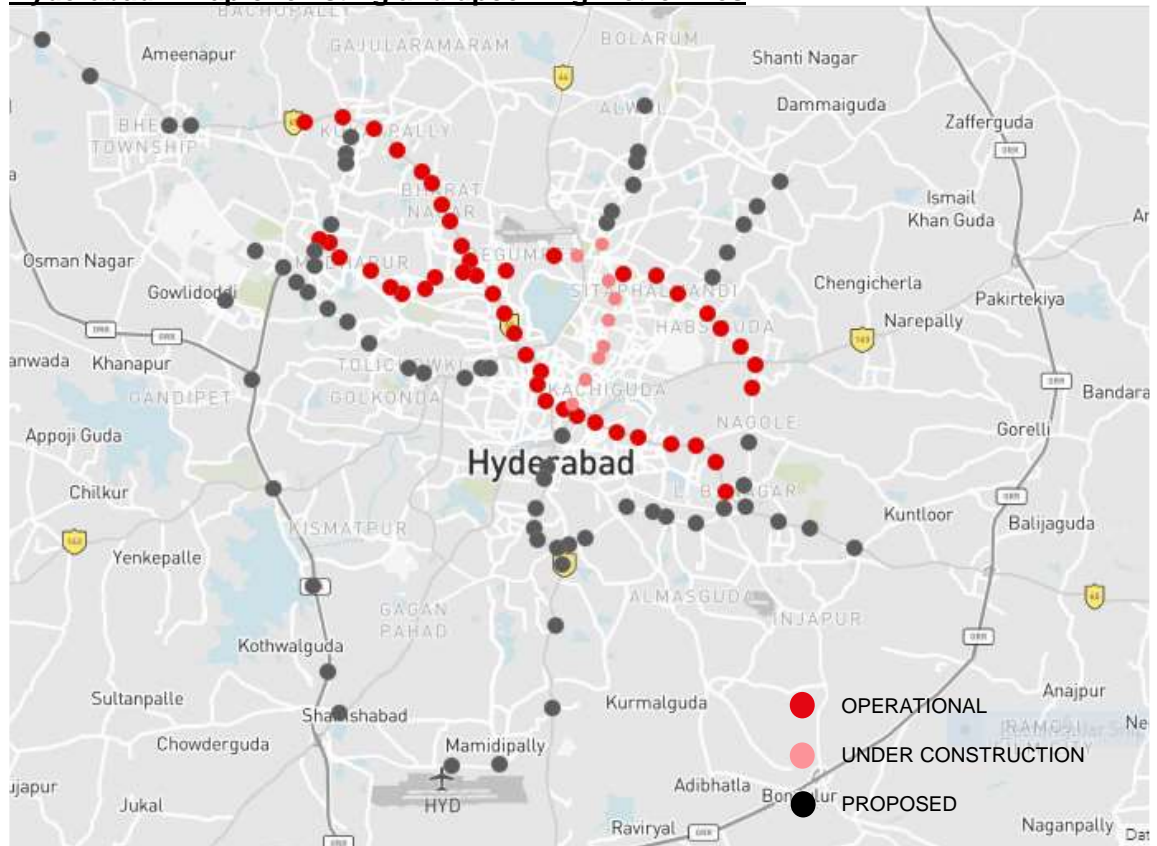
Upcoming Metro Rail Lines

Upcoming Project	Completion timeline	Details	Key Impact Zones
Hyderabad Metro Rail – Phase II	NA (3-4 years from commencement)	<ul style="list-style-type: none"> 58 km network connecting airport and other residential suburbs Raidurg to Shamshabad Airport – 31 km Nagole to LB Nagar – 5 km Lakdikapul to BHEL – 22 km 	Gachibowli, SBD, Suburbs Others
Hyderabad Airport Metro	NA	Hyderabad Metro's Airport Express Line is an upcoming rail line that'll connect Mindspace REIT Junction and Rajiv Gandhi International Airport in Shamshabad via 10	

Upcoming Project	Completion timeline	Details	Key Impact Zones
		stations. This 32 km line of the Hyderabad Metro Phase 2 project will be funded by Telangana Government and executed by HAML (Hyderabad Airport Metro Ltd).	

Source: Real Estate Market Research & Analysis; JLL, March 2023

Hyderabad – Map of existing and upcoming metro lines



Source: Real Estate Market Research & Analysis; JLL, March 2023

6.4 HYDERABAD - OFFICE SUB MARKETS

The office sub-markets of Hyderabad City are classified into six micro markets based on the market trend as mentioned below.

Sub-market	Locations	Map of Hyderabad office market
CBD	Begumpet, SP Road, Secunderabad, Punjagutta, Nagarjuna Circle, Raj Bhavan Road.	
SBD	Banjara Hills, Jubilee Hills, Shaikpet, Kavuri Hills, Ameerpet, Nagarjuna Hills	
Madhapur	Hafeezpet, Madhapur, Kondapur, Madhapur, Raidurg, Kukatpally	
Gachibowli	Kokapet, Manikonda, Financial District, Nanakramguda, Puppalguda, Khajaguda	
Peripheral East	Uppal, Pocharam	
Suburbs- Others	Shamshabad	

Source: Real Estate Market Research & Analysis; JLL, March 2023

City Market Trends

Sub-Markets	Total Stock (sq. ft)	Net Absorption (sq. ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
CBD	3,284,888	8,973	-93.1%	NA	9.5%	- 20 bps	- 810 bps
SBD	3,466,255	77,444	-55.2%	61.4%	25.6%	- 220 bps	- 280 bps
Madhapur	64,479,253	342,544	-75.7%	-68.0%	13.6%	40 bps	390 bps
Gachibowli	33,320,892	-4,222	-114.9%	-100.2%	34.6%	0 bps	1,120 bps
Peripheral East	2,989,000	50,000	NA	NA	35.2%	-160 bps	-270 bps
Suburbs Others	1,297,083	100,007	NA	NA	21.4%	-380 bps	-540 bps

Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing Activity

Leasing activity in Hyderabad dropped significantly during the quarter to 0.9 million sq ft as office space demand remained sluggish in the start of the year. While IT & ITES led the leasing activity during the quarter, Healthcare and BFSI segments contributed significantly. However, absorption in flex spaces remained healthy during the quarter as many firms are inclining towards plug & play workspaces. While Madhapur contributed 85% in gross leasing, Gachibowli stood at 15%.

The city is currently witnessing the conclusion of a few pre-lease transactions in the key projects of Salarpuria, RMZ and CapitaLand in the Madhapur submarket. This trend is likely to continue over the next year as several pre-leasing deals are on the verge of completion, predominantly in the Madhapur submarket.



Source: Real Estate Market Research & Analysis; JLL, March 2023

Vacancy

As new supply outpaced a slowly recovering demand by a large margin, vacancy levels in the city went upward over the last one year. Since covid, the vacancy levels in the city have been growing north amidst a relative decline in the leasing activity from large IT companies while the supply has been very robust simultaneously. While vacancy in Madhapur has risen from 3% to 13% in last three years, it has grown from 8% to 34% in Gachibowli during the same period. With no large supply and muted demand during the quarter, vacancy in the city has remained unchanged at 21% in Q1 2023.

Submarket Rents

With limited supply till 2018 in the city, rents remained stable across the city. However, as new wave of quality supply hit the market in 2019 rents have witnessed a significant growth in the key micro markets like Madhapur and Gachibowli. However, post covid the rental growth has been limited but continues to be on growth curve in the city amidst completions from top developers largely in Madhapur and Gachibowli at higher rentals. With no new supply in Q1 2023 besides moderate demand, rents in the city remain unchanged at INR 63.3 per sq ft per month.

New supply

In last few years Hyderabad has witnessed a massive growth in new supply across the key submarkets. While the average annual supply from up to 2018 has been 4.8 million sq ft, it jumped to 13.2 million sq ft in the last four years in the city. With delayed projects coming on board in the next few quarters, new supply is expected to witness a robust growth in the latter half of 2023, largely driven by Madhapur and Gachibowli submarkets. After a record high supply during the last quarter, Hyderabad saw its lowest ever supply in Q1 2023 at 0.7 million sq ft, owing to delays in receiving Occupancy Certificates, taking the overall office stock in the city to 108.8 million sq ft.

Outlook

New supply is likely to be driven by leading developers like RMZ, Salarpuria, Phoenix Group & GAR Corp as many large projects are in advanced stages of constructions, mostly located

in the submarket of Madhapur. Amidst sharp decline in demand for large scale office spaces by leading IT & BFSI players, vacancy in the city is expected to come under pressure in the medium term in the range of 20-23%. While a significant proportion of the upcoming supply in the medium to long term is still due for absorption, the gradually recovering momentum in leasing activity is expected to improve the leasing activity in the longer term. Large part of leasing activity is expected to be witnessed in Madhapur market owing to quality supply from leading developers in key localities of the submarket.

6.5 MICRO MARKET: MADHAPUR

The project lies in the Madhapur micro market.

Supply, Demand Trend

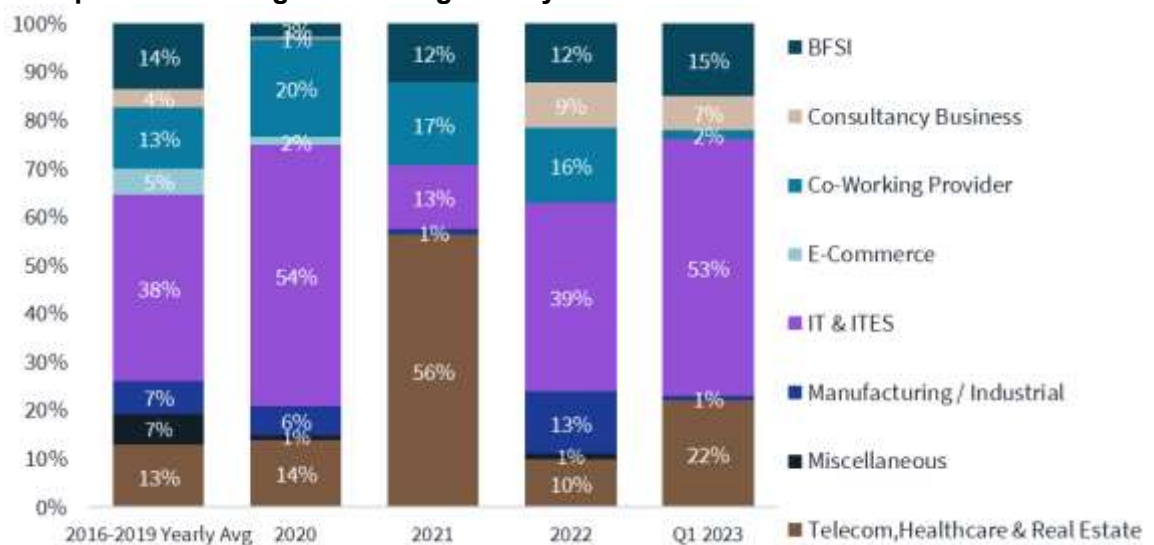
Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, March 2023

As Madhapur enjoys the superior connectivity and well-established infrastructure in the city, it has been the most sought-after office market in the city from tenants across all segments. It commands a market share of 60-70% of total leasing activity in the city as large companies

prefer expanding into this market along with robust demand from mid-sized tenants. Demand has always matched or outpaced the supply in the submarket amidst large inflow of pre-commitments in the properties of Salarpuria, KRC, RMZ, Phoenix & Divyasree Developers. Albeit a mismatch in 2020 owing to covid, it recorded a healthy recovery 2021 & 2022. Amidst limited supply with a moderate occupancy along with sluggish demand, net absorption in the submarket during the quarter dropped to 0.3 million sq ft, which accounts for 65% of total net absorption in the city. As key transactions that are in pipeline started to conclude in major properties during the quarter, Madhapur sustained a healthy traction in gross leasing activity at 0.8 million sq ft.

Supply

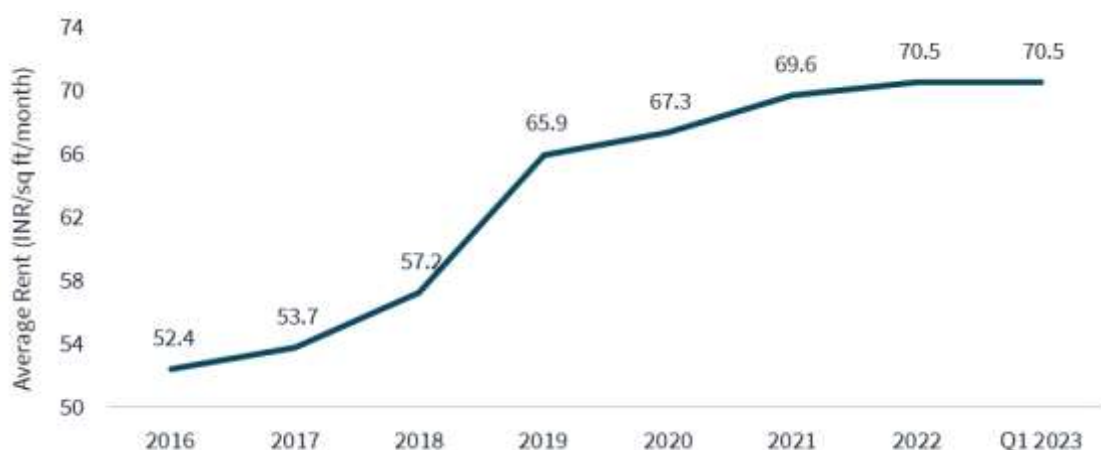
In the last 4 years, total Grade A office stock in Madhapur recorded a growth of 77% to 64 million sq ft. With marquee office projects getting operational by key developers like RMZ, Salarpuria & Divyasree, supply remained very robust in this submarket with an average annual supply of 7 million sq ft from 2019. In Q1 2023, Madhapur witnessed a sharp decline in new supply owing to delayed approvals of key projects under construction. It recorded completion of one new project of 0.7 million sq ft, taking total office stock to 64.5 million sq ft.

Vacancy

As the submarket has been largely driven by large scale pre-commitments along being most sought-after market by small to medium scale tenants, vacancy has always remained below 5% until 2019. However, due to huge supply alongside poor demand due to covid, vacancy rose from 3% to 8% in 2020. Currently, it stands at 13.6% as the supply remained very robust while the demand is on a gradual recovery.

Rents

Madhapur micro market is the most preferred sub-market in the city attracting large and marquee MNC occupiers. Due to excellent connectivity along with the ecosystem it offers over other sub-markets; the average lease rental (INR 70.5 per sq ft per month) is above the city average. Some of the prominent IT Parks offering Premium Grade A space in the Madhapur micro market are Salarpuria Knowledge City and RMZ Skyview; lease rentals in these Projects are in the range of INR 74-79 per sq ft per month.



Note: Mindspace REIT micro markets, 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.

Source: Real Estate Market Research & Analysis; JLL, March 2023

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market:

Table 6-1: Major Lease Transactions in the Micro-Market of the Project

Sr. No.	Occupier Name	Name of the Building	Sub-Market	Area Leased (sq ft)	Lease Rentals (INR per sq ft per month)	Transacted Period
1	Warner Bros	Capitaland International Techpark	Madhapur	100,000	72 - 76	1Q,2023
2	VXI	Capitaland International Techpark	Madhapur	60,000	70 -74	1Q,2023
3	PWC	My Home Twitza	Madhapur	60,000	64 -68	1Q,2023
4	E&Y	Capitaland International Techpark	Madhapur	75,000	74 -78	4Q, 2022
5	Chubb	Knowledge Park Phase 1	Madhapur	50,710	128 -132	4Q, 2022
6	Bosch	Knowledge Park Phase 1	Madhapur	280,000	118 -122	4Q, 2022
7	CBRE D&T	Knowledge Park	Madhapur	80,000	70 - 74	3Q, 2022
8	State Bank Of India	Salarpuria Sattva Knowledge City	Madhapur	6,000	98-100	1Q,2023
9	Yext India	Salarpuria Sattva Knowledge City	Madhapur	27,160	79-82	1Q 2022
10	Clean Harbors India	RMZ - The Skyview	Madhapur	20,924	73-75	1Q 2022
11	Markit India Services	RMZ - The Skyview	Madhapur	44,165	73-75	4Q 2022
12	Providence Global Centre	RMZ - The Skyview	Madhapur	69,601	72-74	3Q, 2022
13	Incedo Technology Solutions	Aurobindo Galaxy Towers	Madhapur	10,403	72-74	2Q 2022
14	Safran India	Aurobindo Galaxy Towers	Madhapur	21,266	72-74	2Q 2022
15	Incedo Technology Solutions	Aurobindo Galaxy Towers	Madhapur	16,814	75-77	1Q 2022
16	SMEDC Services	Aurobindo Galaxy Towers	Madhapur	21,477	73-75	1Q 2022
17	RA Chem Pharma	Aurobindo Galaxy Towers	Madhapur	21,477	73-75	1Q 2022
18	Amazon Retail	Avance Business Hub	Madhapur	169,690	68-70	4Q 2022
19	Genzeon Technology Solution	Aurobindo Galaxy Towers	Madhapur	41,300	68-70	4Q 2022
20	CommVault	V Ascendas IT Park (ITPH)	Madhapur	27,570	68-70	4Q 2022
21	Garmin Technologies	Aurobindo Galaxy Towers	Madhapur	41,393	68-70	1Q 2022
22	Google	Divyasree Omega	Madhapur	60,314	68-70	4Q 2022
23	Google	Divyasree Omega	Madhapur	180,995	68-70	4Q 2022
24	Google	Divyasree Omega	Madhapur	30,257	68-70	4Q 2022
25	Anarock Property Consultants	Salarpuria Sattva Knowledge City	Madhapur	7,000	68-70	3Q, 2022
26	Harsco India Services	Western Aqua	Madhapur	43,139	66-69	4Q 2022

Sr. No.	Occupier Name	Name of the Building	Sub-Market	Area Leased (sq ft)	Lease Rentals (INR per sq ft per month)	Transacted Period
27	Axis Clinicals	Aurobindo Galaxy Towers	Madhapur	79,605	66-69	2Q 2022

Source: Real Estate Market Research & Analysis; JLL, March 2023

The lease transactions in the micro market are recorded in the range of INR 64 – 80 per sq. ft. per month (warm shell) where the Project is located. Market rent for the Project has been considered in line with the achievable market rent for completed buildings at INR 71 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within India

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6-2: List of transactions / deals in recent past:

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, March 2023

Table 6-3: List of multicity transactions in recent past

	Type of Transaction	Property Name	Location	Type of Asset	No. of properties/area	Deal Size (INR Bn)	Net Yield	Status of Development
1	Multi-city	RMZ-Brookfield	Bengaluru, Chennai, Pune (exc. Coworks)	Commercial office space	Appx 12.3 million sq. ft.	145	7.40% - 7.60%	All completed and operational properties
2	Multi-city	Prestige	Multiple cities	Commercial, Retail	Completed and under construction (3 properties)	Total - 91, Tranche: 74	8.00% - 8.50%	Both completed & Under construction

Source: Real Estate Market Research & Analysis; JLL, March 2023

Project I.e., Mindspace Madhapur is located in the most preferred micro market for IT/ITeS companies in the city. The Project is forming part of the portfolio of Mindspace REIT. The location has excellent connectivity to residential locations and social infrastructure.

The project offers Grade A space spread across two blocks with good amenities and facilities. Some of the prominent clients in the campus include Verizon, BA Continuum, Qualcomm India Smartworks etc.

The Project is preferred commercial development in Madhapur micro-market due to the quality of building, ecosystem and connectivity (Metro Rail).

Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

Madhapur is likely to witness new supply of 9 to 10 million sq ft in 2023 consisting of marquee projects from leading developers like RMZ, Salarpuria & CapitalLand. As 30% of upcoming supply of 2023 is pre-leased already along with ongoing transactions, Madhapur is expected to record a net absorption of 6 to 6.5 million sq ft in the upcoming year. Owing to upsurge in the new supply for next couple of years, vacancy in the submarket is expected to remain high and increase gradually. Rents are expected to see a marginal upside as most of the ongoing transactions are expected to close higher than market-average rentals. As demand is healthy, evidenced by increased enquiries, the submarket is likely to witness heightened activity in the coming quarters.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project have been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimate 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 lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent-free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.3 CONSTRUCTION TIMELINES

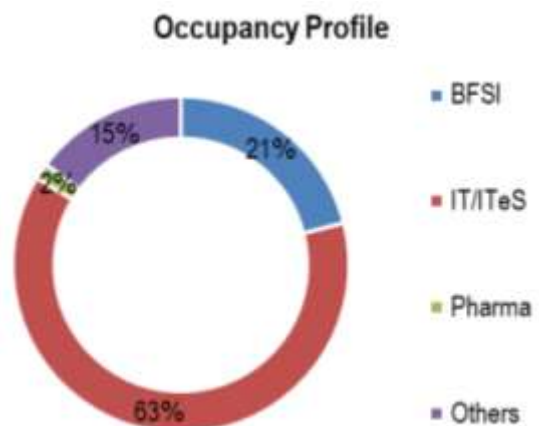
Project has received full occupancy certificate.

Certain planned upgrades are in progress, the balance payment to the tune of INR 342 Mn shall be paid by Q3 FY25.

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows: -

- ~63% space is taken by IT/ITeS
- ~21% of the space is taken by BSFI
- Rest of area is occupied by Pharma and others



7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Buildings

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-23	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	1,741,757 sq. ft	As per the information provided by the Client
Leased Area	1,670,251 sq. ft	As per the information provided by the Client
Vacant Area / Vacancy	71,506 / 4.11%	As per the information provided by the Client
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects. .
Area to be Leased	71,506 sq. ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market
Rent Free Period for New Leases	3 months	As prevalent in the micro-market
Total No. of Car Parking Spaces	1,785	As per the information provided by the Client
No. of Car Parking Spaces Leased	457	As per the information provided by the Client
Construction Related Assumptions		
Construction Cost to be incurred (upgrade costs)	INR 342 Mn	As per the information provided by the Client
Estimated Completion Date	December 2024	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e., 15% every 3 years Or 5% every year	As prevalent in the market, it is observed that lease agreements are primarily at 5% rent escalations every year. Or at 15% every 3 years
Market / Marginal Rent – Office	INR 71.00 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 55

Parameters	Assumptions / Inputs	Remarks / Basis
		<p>– 80 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 70 - 80 per sq. ft. per month.</p> <p>Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.</p>
Market / Marginal Rent – Amenities	Not Applicable	
Other Income	1% of base rentals	Analysis of the historical trend of other income suggest a normalized level of other income can be achieved in the future. Accordingly, we have considered other income at 1% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent - Car Parking Space	INR 2,000 per sq. ft. per month	The Grade A offices offers car parking rates in the range of INR 2,000 – 3,500 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the subject property is derived.
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent – Kiosk	INR 230 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Market / Marginal Rent – Terrace	Not Applicable	
Other Operating Income		
Market Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Parking Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower

Parameters	Assumptions / Inputs	Remarks / Basis
		efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 13.30 per sq. ft per month	As given by the Client and as prevalent in the market
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 10.75 per sq. ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 13.25 per sq. per annum	As given by the Client
Insurance	INR 3.27 per sq. ft per annum	As given by the Client
Cost Escalation	3% per annum	As prevalent in the market.
CAM Escalation	5% per annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market.
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.00% (post yield shrinkage). Capitalized based on the Net Cash Flows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Table 7.3: Market Value of the Project

Component	Leasable Area (sq. ft.)	Market Value (INR Million)	Percentage Share
Commercial / Office Space	1,741,687	16,830.84	89%

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project Mindspace Madhapur (Intime) located in Madhapur, Hyderabad Telangana, India 500081, comprising total leasable area of 1,741,687 sq. ft is estimated to be **INR 16,830.84 million (INR Sixteen Billion Eight Hundred Thirty Million Eight Hundred and Forty Thousand Only).**

*Note: Based on the inputs provided by client, Mindspace REIT holds 89% of the ownership interest in the project and the valuation presented is for 89% interest in the project only. The total value of the asset with 100% interest is **INR 18,911.06 million (INR Eighteen Billion Nine Hundred Eleven Million and Sixty Thousand Only)***

Table 7.4: Ready Reckoner rates for the Project

Component	Ready Reckoner Rate
Commercial (Built-Up Area)	Ground floor – INR 7,300 per sq. ft. first & other floors – INR 6,600 per sq. ft.
Land	INR 44,900 per sq. yard.

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

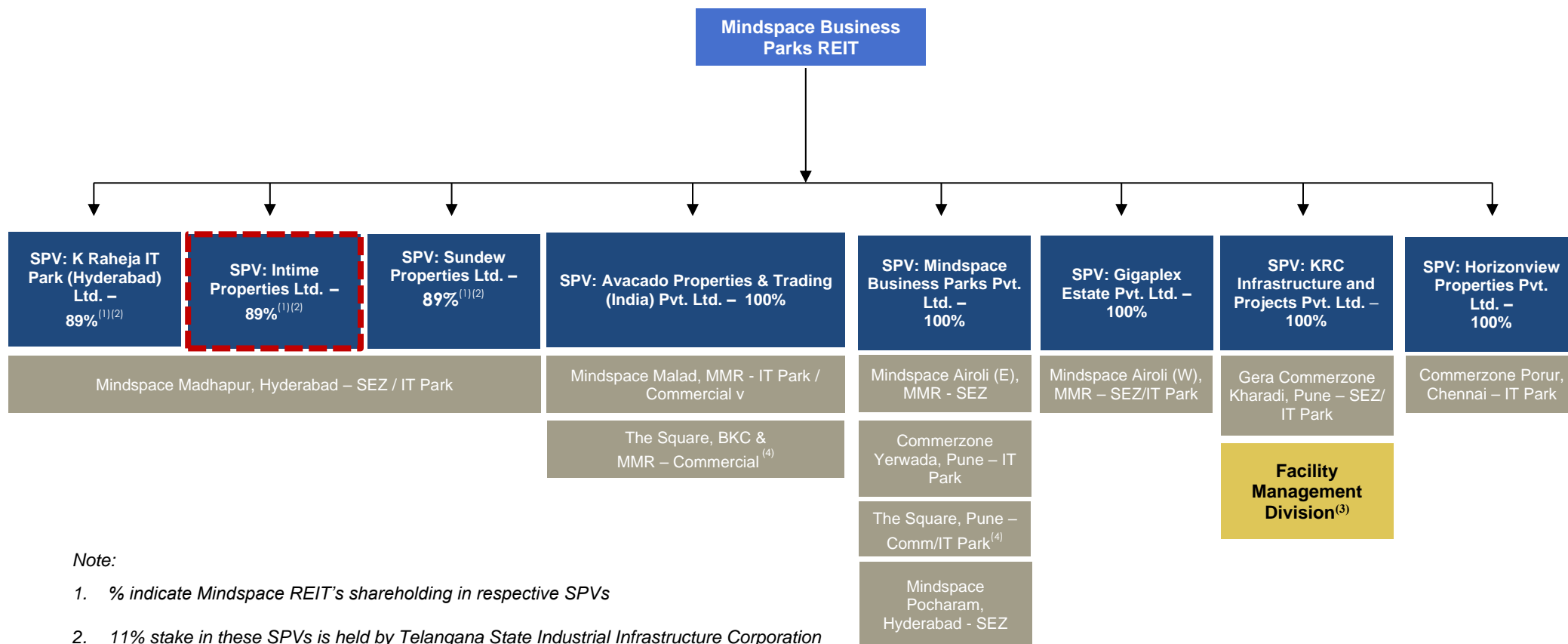
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

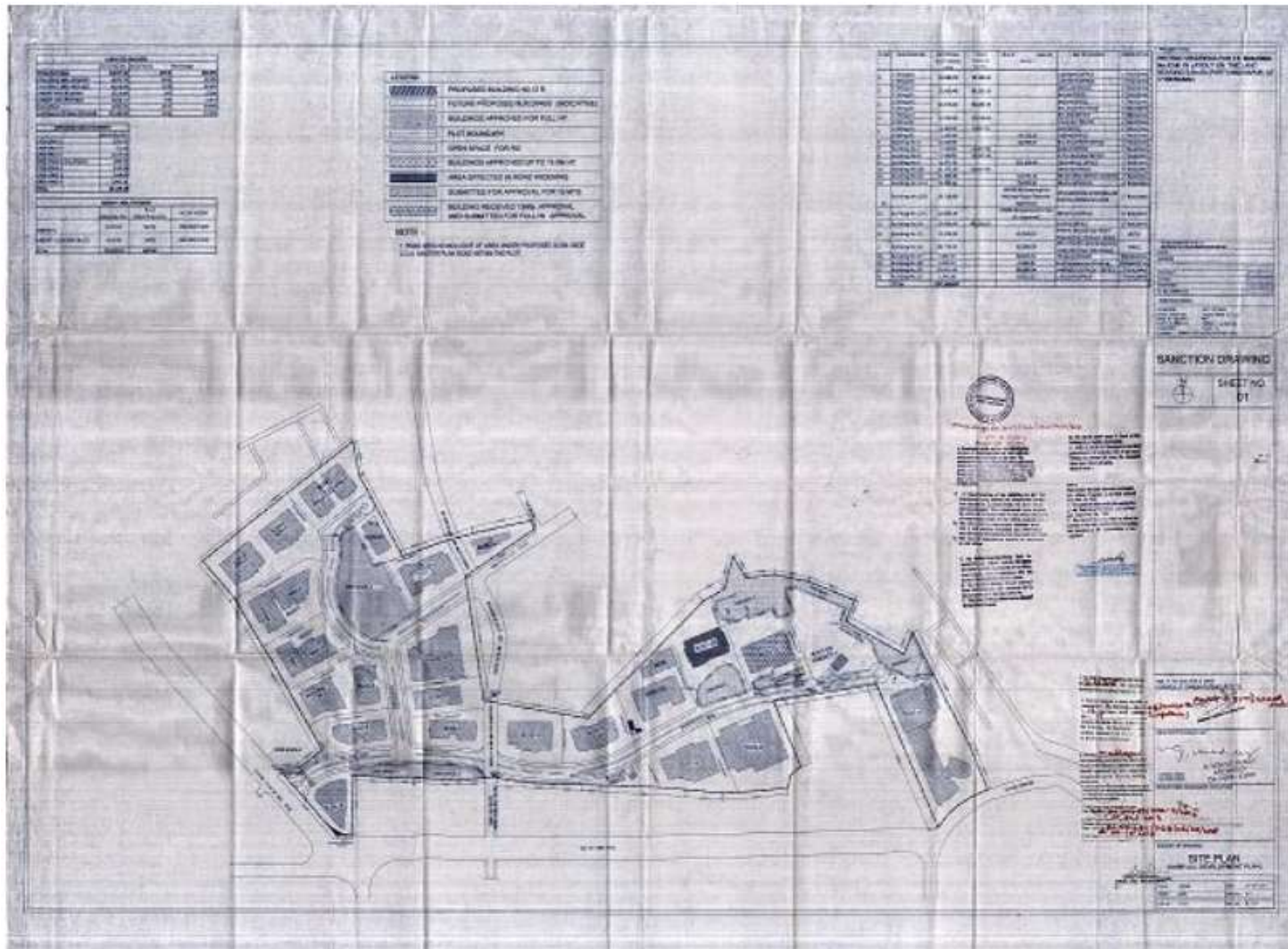
Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2 Layout Plan of the Project



Annexure - 3

Statement of Key Assets within the Project

Building	No. / Name	B5B	B6	B9
Floor	Nos	G+3P+5F	3B+G+9F	2B+GF+15F
Warm Shell / Bare shell		Warm Shell	Warm Shell	Warm Shell
Air Cooled Chiller	TR	262	360	300
Water Cooled Chiller	TR	NA	NA	2 x 800, 2 x 600
No of Elevators /Make	No/ Make	6-Thyssenkrupp	7-Otis	25-Mitsubishi
No of DG / Capacity	No. / KVA	3 x 1010	5 x 1010	7 x 1500
No of Transformers / Capacity	No./ KVA	2 x 1600	2 x 2500	4 X 2500
Booster Pump	KW / Make	9.3 - Kirloskar Brothers	5.5- Kirloskar Brothers	11 - Kirloskar Brothers
Jockey Pump	KW / Make	15 - Kirloskar Brothers	11 - Kirloskar Brothers	22 - Kirloskar Brothers
Fire Diesel Pump	KW / Make	68 - Kirloskar Brothers	98 - Kirloskar Brothers	92 - Kirloskar Brothers
Hydrant Pump	KW / Make	75 - Kirloskar Brothers	75 - Kirloskar Brothers	90 - Kirloskar Brothers
Sprinkle Pump	KW / Make	75 - Kirloskar Brothers	75 - Kirloskar Brothers	90 - Kirloskar Brothers
STP Rating	KLD	150	110	415

Approvals and NOCs Received for the Project

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

Approvals Received

- Approved masterplans for all buildings
- Full Occupancy Certificates for all Buildings
- Height Clearance NOC from AAI for all buildings
- Environmental clearances for all buildings
- Consent for Establishment for all buildings
- Consent for Operate for all buildings
- Fire NOC for all buildings

Approvals Pending

- None

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Ready Reckoner Rate for the Built-up Area

REGISTRATION & STAMPS DEPARTMENT
Government of Telangana

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Unit Rates - Locality Wise

District Name : RANGAREDDY Mandal Name : SRILINGAMPALLE City/Town/Village : MADHAPUR

S.No.	Ward-Block	Locality	Apartment value (Rs. per Sq.Ft)			Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
			Ground floor	First floor	Other floors			
1.	0 - 1	RESO IN COMM-1	4,500	4,500	4,500	02(Commercial)	01/02/2022	Get
2.	0 - 1	RESIDENTIAL LOCALTY	3,000	3,000	3,000	01(Residential)	01/02/2022	Get
3.	0 - 2	COMMERCIAL-1	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
4.	0 - 2	MADHAPUR MAIN ROAD	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
5.	0 - 3	COMMERCIAL PROPERTIES IN MADHAPUR RESIDENTIAL	4,500	4,500	4,500	02(Commercial)	01/02/2022	Get
6.	0 - 3	RES PROP ABUTTING TO KOTHAGUDA JN TO MADHAPUR	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
7.	0 - 2	MADHAPUR MAIN RD TO JUBILE HILLS VIA YSR STAT	4,500	4,500	4,500	01(Residential)	01/02/2022	Get
8.	0 - 3	MADHAPUR	3,000	3,000	3,000	01(Residential)	01/02/2022	Get
9.	0 - 3	MADHAPUR MAINROAD	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
10.	0 - 3	MADHAPUR TO JUBILEEHILLS ROAD VIA YSR STATUE	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get
11.	0 - 3	MINDSPACE JUNCTION TO INORBIT MALL	7,300	6,600	6,600	02(Commercial)	01/02/2022	Get

Ready Reckoner Rate for the Land

REGISTRATION & STAMPS DEPARTMENT
Government of Telangana

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Unit Rates - Locality Wise

District Name : RANGAREDDY Mandal Name : SRILINGAMPALLE City/Town/Village : MADHAPUR

S.No.	Ward-Block	Locality	Land Value (Rs. per Sq.Yard)	Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
1.	0 - 1	RESO IN COMM-1	32,200	02(Commercial)	01/02/2022	Get
2.	0 - 1	RESIDENTIAL LOCALTY	32,200	01(Residential)	01/02/2022	Get
3.	0 - 2	COMMERCIAL-1	44,900	01(Residential)	01/02/2022	Get
4.	0 - 2	MADHAPUR MAIN ROAD	44,900	02(Commercial)	01/02/2022	Get
5.	0 - 3	COMMERCIAL PROPERTIES IN MADHAPUR RESIDENTIAL	32,200	02(Commercial)	01/02/2022	Get
6.	0 - 3	RES PROP ABUTTING TO KOTHAGUDA JN TO MADHAPUR	44,900	01(Residential)	01/02/2022	Get
7.	0 - 2	MADHAPUR MAIN RD TO JUBILE HILLS VIA YSR STAT	44,900	01(Residential)	01/02/2022	Get
8.	0 - 3	MADHAPUR	32,200	01(Residential)	01/02/2022	Get
9.	0 - 3	MADHAPUR MAINROAD	44,900	02(Commercial)	01/02/2022	Get
10.	0 - 3	MADHAPUR TO JUBILEEHILLS ROAD VIA YSR STATUE	44,900	02(Commercial)	01/02/2022	Get
11.	0 - 3	MINDSPACE JUNCTION TO INORBIT MALL	44,900	02(Commercial)	01/02/2022	Get

Annexure - 6

Cashflow of the Project

Table 7.5 Discounted Cash Flow (INR Mn)

Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred (including Upgrades)		180.13	162.16	-	-	-	-	-	-	-	-	-
A	Base Rental		1,346.11	1,450.95	1,554.25	1,613.54	1,656.52	1,770.02	1,815.14	1,845.88	2,047.37	2,122.39	2,306.19
B	Car Parking Income		8.38	8.42	8.42	8.41	8.23	10.81	12.25	13.83	14.22	15.20	17.09
C	Fit-out rentals/ tenant improvements		0.66	0.66	0.66	0.40	-	-	-	-	-	-	-
D	Facility Rentals		1,355.14	1,460.03	1,563.34	1,622.34	1,664.75	1,780.83	1,827.39	1,859.71	2,061.59	2,137.59	2,323.27
E	Maintenance services income		282.11	299.75	315.37	331.13	347.69	365.08	383.33	402.50	422.62	443.75	465.94
F	Other Operating Income		13.46	14.51	15.54	16.14	16.57	17.70	18.15	18.46	20.47	21.22	23.06
G	Revenue from Operations		1,650.71	1,774.29	1,894.24	1,969.61	2,029.01	2,163.60	2,228.88	2,280.66	2,504.69	2,602.56	2,812.28
	Direct Operating Expenses												
H	Maintenance services Expenses		235.92	247.72	260.10	273.11	286.76	301.10	316.16	331.96	348.56	365.99	384.29
I	Property Tax		23.78	24.49	25.22	25.98	26.76	27.56	28.39	29.24	30.12	31.02	31.95
J	Insurance Premium		5.86	6.04	6.22	6.40	6.60	6.79	7.00	7.21	7.42	7.65	7.88
K	Net Operating Income (NOI)		1,385.15	1,496.05	1,602.70	1,664.12	1,708.89	1,828.14	1,877.33	1,912.25	2,118.58	2,197.90	2,388.15
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	29,553.40	-
	Indirect Operating Expenses												
L	Brokerage Fees		20.48	4.50	0.72	0.84	11.49	11.50	15.91	43.51	35.39	50.58	-
M	Property Management Fee		47.90	51.61	55.26	57.35	58.85	62.95	64.59	65.74	72.87	75.56	82.12
N	Other operational expenses		27.09	29.19	31.25	32.44	33.30	35.62	36.55	37.19	41.23	42.75	46.47
O	Net Cashflows		1,109.55	1,248.59	1,515.47	1,573.49	1,605.25	1,718.08	1,760.27	1,765.81	1,969.08	31,582.41	2,259.57

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

Annexure - 7

Material Litigations

1. Litigation

There are no litigations in relation to the land held by Intime.

2. Criminal matters

There are no pending criminal matters against Intime.

3. Regulatory actions

KRIT had proposed a rights issue of shares in which Andhra Pradesh Industrial Infrastructure Corporation ("APIIC") (now, TSIIIC) abstained from subscribing to the rights shares. Consequently, upon closure of the rights issue subscription by the other shareholders of KRC group, the stake of APIIC in KRIT reduced from 11%. Thereafter, upon demerger of certain undertakings of KRIT into Intime and Sundew, the APIIC's stake reduced in each of these entities instead of what it was initially at 11%. Such rights issue of shares was undertaken in compliance with applicable law and agreement between the parties, and after KRIT had waited over one year for APIIC to decide.

Subsequently, APIIC / GoAP disputed such dilution of their stake in KRIT, Intime and Sundew, which led to an inquiry by Vigilance and Enforcement Department of GoAP against the Government Officials and correspondingly, KRIT. APIIC issued a letter dated July 10, 2012 to KRIT, referring to a report of vigilance and enforcement department ("VED Report") in relation to the Mindspace Madhapur project. Subsequently, the equity stake of APIIC was restored to 11% in KRIT, Intime and Sundew together with compensating APIIC for any loss of corporate benefits in the intervening period. The VED Report alleged certain irregularities, which include alleging a financial loss to APIIC and GoAP pursuant to sale of the land to its sister concerns and sale of constructed area, at a nominal price, dilution of 11% equity stake of APIIC and loss of immovable asset base to APIIC due to the dilution of equity.

KRIT denied such irregularities, violations or financial loss caused to APIIC /GoAP. While denying the loss alleged by APIIC, KRIT, Intime and Sundew provided a joint undertaking dated February 14, 2014 to APIIC inter alia undertaking (i) to pay the amounts to APIIC in respect of APIIC's claim of losses, due to any differences in values pertaining to the sale transactions in Mindspace Madhapur project; (ii) that payments shall be made by KRIT within 30 days of receipt of such written demand from APIIC; and (iii) that KRIT shall be bound by the decision of APIIC and comply with the same within the stipulated timelines.

KRIT has further provided an undertaking dated October 24, 2016 to APIIC, inter alia undertaking to pay losses incurred by Government of Telangana /APIIC as per the VED Report and to maintain the agreed shareholding of the Government of Telangana or APIIC in KRIT, Intime and Sundew post conversion of KRIT to public limited company and the Government of Telangana/ APIIC will not be required to infuse additional funds to maintain its equity stake in KRIT, Intime and Sundew.

While KRIT has attempted to make payments to the extent of the loss incurred by APIIC along with interest, by letter dated April 23, 2019, APIIC has confirmed to KRIT that it will be informed about the quantum of the amount to be paid, once the quantum of loss is determined by an independent third party appointed for such purpose. KRCPL, by way of its letter dated December 9, 2019, has undertaken that it shall assume any financial liability that KRIT, Intime or Sundew may incur in this behalf.

4. Material civil/commercial litigation

There are no material civil/commercial litigation involving Intime.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 specialized information furnished by the third-party organizations, and this is believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Mindspace Airoli East, Mumbai Region

Maharashtra, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name	Mindspace Airoli East, Navi Mumbai, Maharashtra, India
Property Address	Plot No. 3, Kalwa Trans Thane Creek Industrial Area, Mindspace, Opp. Airoli Station, Kalwa, Airoli, Thane, Navi Mumbai 400708
Land Area	Total Plot Area: ~50.1 acres (Of which Land for Future Development component is ~1.76 acres)
Brief Description	<p>The property is located in the Thane-Belapur Road micro market within Navi Mumbai in the Mumbai region. It lies along the Thane-Belapur Road. It is located at a distance of about 1.5 km from the Airoli Suburban Railway Station and about 15 km from the Eastern Express Highway.</p> <p>The property is developed as a Grade A, Information Technology (IT), Special Economic Zone (SEZ) Park and has two components i.e., a completed component and an under construction / future development component. The total leasable area of the property is 5,567,625 sq. ft.</p> <p>Completed Buildings – 12 Commercial / Office SEZ Buildings and Club House</p> <p>The completed component of the property comprises 12 commercial / office SEZ buildings (Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12 and 14) and a Club House with total leasable area of 4,721,717 sq. ft.</p> <p>Under Construction / Future Developments – Office Building 15, High Street Retail and Land Parcel</p> <p>The property also includes High Street Retail which is under construction and a future development (Building 15). Both these buildings are proposed to be Non SEZ developments. The total leasable area of these future developments is 845,908 sq. ft and they are expected to be completed by Q3 FY27 (Building 15) and in Q1 FY24 (High Street Retail).</p> <p>The property also includes ~1.76 acres of land earmarked for future development.</p> <p>The property is owned entirely by Mindspace Business Parks Private Limited ("MBPPL") in which 100% interest is held by Mindspace Real Estate Investment Trust (REIT).</p> <p>The property has good frontage along the access road with one (1) main entrance, separate exit and separate secured gates for the buildings within. The property is predominantly surrounded by commercial office spaces followed by residential and industrial developments.</p> <p>Mindspace Business Parks Private Limited has also invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators/traders supplying to the grid and then distribute it to the end consumers within the property. It is not allowed to expand the power distribution outside the limits of the SEZ.</p>

Asset Details Leasable area details as shared by the Client is given below:

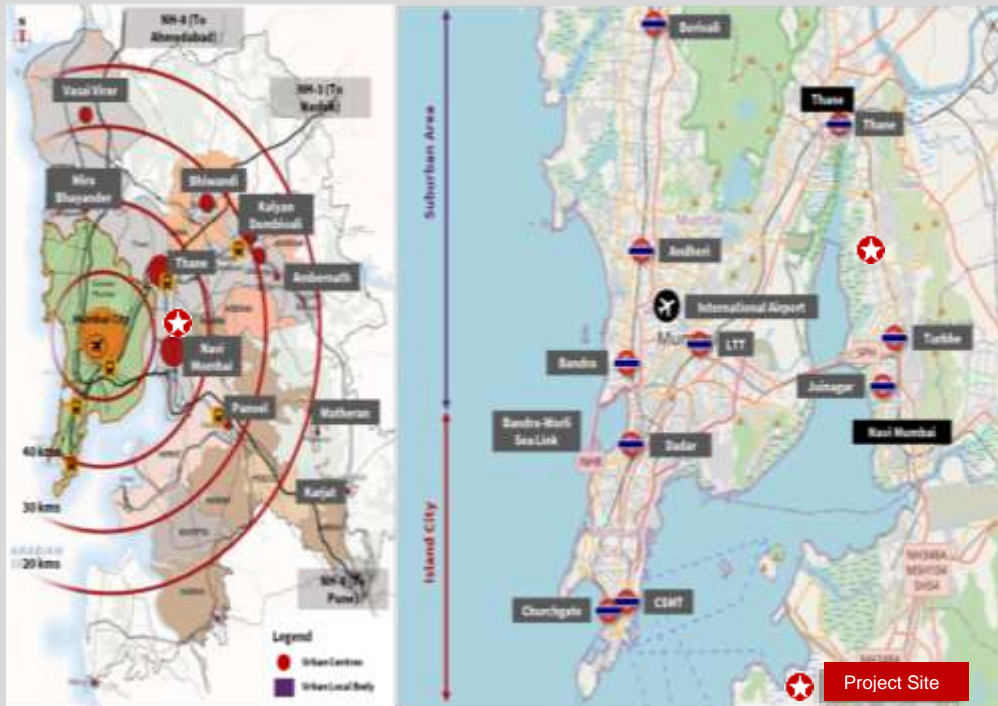
Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1 – Office building completed	368,007
2.	Building 2 – Office building completed	344,370
3.	Building 3 – Office building completed	354,404
4.	Building 4 – Office building completed	349,433
5.	Building 5&6 – Office building completed	862,389
6.	Building 7 – Office building completed	345,376
7.	Building 8 – Office building completed	295,423
8.	Building 9 – Office building completed	359,847

9.	Building 10 – Office building completed	366,319
10.	Building 11 – Office building completed	353,159
11.	Building 12 – Office building completed	371,972
12.	Building 14 – Office building completed	344,247
13.	Club House – Completed	6,771
14.	Building 15 – Office building future development	800,000
15.	High Street Retail – Under construction	45,908
Total Leasable Area		5,567,625

During the site inspection it was found that the Project Site has 12 office buildings that are complete and operational along with the Club House. Additionally, the property has an under construction High Street Retail building which is expected to be completed by Q1 FY24 and a future development (office Building 15) which is expected to be completed by Q3 FY27.

The property also includes ~1.76 acres of land earmarked for future development (as shared by the Client).

Location Map



Key Assumptions

The table below summarises key valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office with Amenities
Current Status	Office Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12, 14 and Club House – Completed and Operational. High Street Retail – Under Construction Office Building 15 – Future Development. Land Parcel (~1.76 acres) – Future Development

Total Leasable Area	5,567,625 sq. ft (includes completed buildings and future developments)
Year of Completion / Operation	Completed Buildings: Building 1 9 years and 8 months Building 2 11 years and 3 months Building 3 13 years and 2 months Building 4 12 years and 4 months Building 5&6 11 years Building 7 12 years Building 8 13 years and 11 months Building 9 9 years and 1 month Building 10 9 years and 11 months Building 11 8 years and 4 months Building 12 8 years and 2 months Building 14 12 years and 10 months Club House 9 years and 3 months Under Construction / Future Developments: Building 15 Completion expected in Q3 FY27 High Street Retail Completion expected in Q1 FY24
Revenue Assumptions	
In-Place Rent	INR 57.3 per sq. ft per month
Market / Marginal Rent	Completed Buildings & Future Developments: Office Buildings – INR 59.0 per sq. ft per month High Street Retail – INR 63.0 per sq. ft per month
Parking Rent	INR 1,500 per CPS per month (applicable for completed buildings only)
Financial Assumptions – Buildings	
Exit Cap Rate	8.00%
Discount Rate / WACC	Completed Buildings: All Office Buildings (B1, B2, B3, B4, B5&6, B7, B8, B9, B10, B11, B12, B14) – 11.75% Under Construction: High Street Retail – 13.00% Future Developments: Office Buildings (Building 15) – 13.00%
Financial Assumptions – Power Distribution Services	
Discount Rate / WACC	10.50%
License End Date	3 rd November 2032

Market Value	Component	Market Value as on	In Figures (INR Mn)	In Words
	Total Market Value (Completed / Operational, including power distribution business of MBPPL)	31 st March 2023	43,446.18	INR Forty-Three Billion Four Hundred Forty-Six Million One Hundred Eighty Thousand Only.
	Total Market Value (Under construction buildings and land parcels for future development)	31 st March 2023	1,766.97	INR One Billion Seven Hundred Sixty-Six Million Nine Hundred Seventy Thousand Only.
	TOTAL VALUE		45,213.14	INR Forty-Five Billion Two Hundred Thirteen Million One Hundred Forty Thousand Only.

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LIST OF ABBREVIATIONS

CBD	Central Business District
CY	Current Year
INR	Indian Rupees
IT / ITES	Information Technology / IT Enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
Km	Kilometre
NH	National Highway
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft	square feet
sq. m	square metre

CONVERSION OF UNITS

1 acre	43559.66 sq. ft
1 acre	4046.9 sq. m
1 sq. m	1.196 sq. yards
1 sq. m	10.764 sq. ft
1 metre	1.0936 yards
1 metre	3.28 ft
1 cent	435.6 sq. ft

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project located named **'Mindspace Airoli East' (Buildings B1, B2, B3, B4, B5&6, B7, B8, B9, B10, B11, B12, B14, B15, Club House, High Street Retail and Land Parcel)** located in **Airoli, Navi Mumbai**, Maharashtra, India (hereinafter referred to as the 'Project'). The Project is an operational IT, SEZ Park having leasable area of about 5.6 million sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

The Project also includes power distribution services to the customers (occupiers and operators within the property).

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1 – Office building completed	368,007
2.	Building 2 – Office building completed	344,370
3.	Building 3 – Office building completed	354,404
4.	Building 4 – Office building completed	349,433
5.	Building 5&6 – Office building completed	862,389
6.	Building 7 – Office building completed	345,376
7.	Building 8 – Office building completed	295,423
8.	Building 9 – Office building completed	359,847
9.	Building 10 – Office building completed	366,319
10.	Building 11 – Office building completed	353,159
11.	Building 12 – Office building completed	371,972
12.	Building 14 – Office building completed	344,247
13.	Club House – Completed	6,771
14.	Building 15 – Office building future development	800,000
15.	High Street Retail – Under Construction	45,908
	Total Leasable Area	5,567,625

Source: Client, 31st March 2023

Table 1.2: Details of the Project in terms of Land Earmarked for Future Development.

Sl.	Land Parcel	Land Area (Acres.)
1.	Land Parcel – For future development	1.76
	Total Land Area	1.76

Source: Client, 31st March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and / or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited (“JLL India”), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute (“TERI”). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation (“IOVRVF”), is a Fellow of Royal Institution of Chartered Surveyors (“RICS”), Fellow and Lifetime Member of Institute of Valuers, India (“IOV”), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER’S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he / she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 3rd April 2023 by the Valuer and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client,

which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 GENERAL COMMENT

A valuation is an estimation 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party / respondent to such claim and he shall not object to his inclusion as a necessary party / respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse / refund to the Valuer, the actual cost (which shall include

legal fees and external counsel's fee) incurred by them while becoming a necessary party / respondent. If the Valuer does not cooperate to be named as a party / respondent to such claims in providing adequate / successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification / validation of the zoning regulations / development controls with any government departments / authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data / information provided by the Client and estimate has limited coverage wherever full data / information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and / or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data / information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and / or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use / current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase / acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents / information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and / or any of their associated companies and / or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational, under construction / future development commercial / office space, (other than the land portions of future development portion which has been valued using Comparable Sales / Quoted Instances Method under 'Market Approach' and power distribution services which has been valued using Discount Cash Flow Method under 'Income Approach'), the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan / Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options of Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5% - 11.5% to about 7.5% - 8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed / public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted an exit cap rate of 8.00% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the Project Site against similar portfolios / properties in the market. For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

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 for under-construction / future development properties. The Valuer has considered a risk premium of 125bps, to derive the WACC of 13.00% for under construction / future development properties.

These derived discount rates were found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Mindspace Airoli East, Navi Mumbai, Maharashtra, India
Property Address	Plot No. 3, Kalwa Trans Thane Creek Industrial Area, Mindspace, Opp. Airoli Station, Kalwa, Airoli, Thane, Navi Mumbai 400708
Land Area	Total Plot Area: ~50.1 acres (of which Land for Future Development component is ~1.76 acres)
Brief Description	<p>The property is located in the Thane-Belapur Road micro market within Navi Mumbai in the Mumbai region. It lies along the Thane-Belapur Road. It is located at a distance of about 1.5 km from the Airoli Suburban Railway Station and about 15 km from the Eastern Express Highway.</p> <p>The property is developed as a Grade A, Information Technology (IT), Special Economic Zone (SEZ) Park and has two components i.e., a completed component and an under construction / future development component. The total leasable area of the property is 5,567,625 sq. ft.</p> <p>Completed Buildings – 12 Commercial / Office SEZ Buildings and Club House</p> <p>The completed component of the property comprises 12 commercial / office SEZ buildings (Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12 and 14) and a Club House with total leasable area of 4,721,717 sq. ft.</p> <p>Under Construction / Future Developments – Office Building 15, High Street Retail and Land Parcel</p> <p>The property also includes High Street Retail which is under construction and a future development (Building 15). Both these buildings are proposed to be Non SEZ developments. The total leasable area of these future developments is 845,908 sq. ft and they are expected to be completed by Q3 FY27 (Building 15) and in Q1 FY24 (High Street Retail).</p> <p>The property also includes ~1.76 acres of land earmarked for future development.</p> <p>The Project also includes power distribution services to the customers (occupiers and operators within the property).</p> <p>The property has good frontage along the access road with one (1) main entrance, separate exit and separate secured gates for the buildings within. The property is predominantly surrounded by commercial office spaces followed by residential and industrial developments.</p>

Asset Details Leasable area details as shared by the Client is given below:

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1 – Office building completed	368,007
2.	Building 2 – Office building completed	344,370
3.	Building 3 – Office building completed	354,404
4.	Building 4 – Office building completed	349,433
5.	Building 5&6 – Office building completed	862,389
6.	Building 7 – Office building completed	345,376
7.	Building 8 – Office building completed	295,423
8.	Building 9 – Office building completed	359,847
9.	Building 10 – Office building completed	366,319

10.	Building 11 – Office building completed	353,159
11.	Building 12 – Office building completed	371,972
12.	Building 14 – Office building completed	344,247
13.	Club House – Completed	6,771
14.	Building 15 – Office building future development	800,000
15.	High Street Retail – Under construction	45,908
	Total Leasable Area	5,567,625

During the site inspection it was found that the Project Site has 12 office buildings that are complete and operational along with the Club House. MBPPL has also invested in infrastructure for power distribution services as described in this report. Additionally, the property has an under construction High Street Retail building which is expected to be completed by Q1 FY24 June 2023 and a future development (office Building 15) which is expected to be completed by Q3 FY27.

The property also includes ~1.76 acres of land earmarked for future development (as shared by the Client).

Valuation Methods

The estimate of Market Value is prepared using following methods:

SI – No.	Asset Type	Methodology Adopted
1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion
2.	Under Construction Assets	Discounted Cash Flow Method using Rent Reversion
3.	Power Distribution services	Discounted Cashflow Method
4.	Land Parcels	Comparable Sales / Quoted Instance Method

Nature of the Interest by the Client

100% leasehold interest in the Project as informed by the Client

Purchase Price of the Project

INR 37,591 million, as given by the Client

Historical Valuation of the Project in 3 Previous Years

Below table summarizes historical valuation of the Project as given by the Client:

Sl.	Date of Valuation	Total Market Value (Completed / Operational, Future Development / Under Construction) (INR million)*
1.	30-Sep-2022	45,531(43,736, 1,795)
2.	31-Mar-2022	44,720 (42,943, 1,777)
3.	30-Sep-2021	43,742 (41,823, 1,919)
4.	31-Mar-2021	42,699 (40,849, 1,850)
5.	30-Sep-2020	42,425 (40,644, 1,781)
6.	31-Mar-2020	43,107 (41,184, 1,922)

*Includes valuation for power distribution business of MBPPL.

**Ready
Reckoner
Rate**

Built-up Area (Office) – INR 62,400 per sq mt
Land Area – INR 20,750 per sq mt

**Date of
Valuation**

31-Mar-2023

**Date of
Inspection**

3-Apr-2023

**Market Value
as on 31-Mar-
2023**

Component	Market Value as on	In Figures (INR Mn)	In Words
Total Market Value (Completed / Operational, including power distribution business of MBPPL)	31 st March 2023	43,446.18	INR Forty Three Billion Four Hundred Forty-Six Million One Hundred Eighty Thousand Only.
Total Market Value (Under construction buildings and land parcel for future development)	31 st March 2023	1,766.97	INR One Billion Seven Hundred Sixty Six Million Nine Hundred Seventy Thousand Only.
TOTAL VALUE		45,213.14	INR Forty Five Billion Two Hundred Thirteen Million One Hundred Forty Thousand Only.

**Matters
Affecting the
Property and
its Value**

Please refer to Chapter 7 of this Valuation Report

**Assumptions,
Disclaimers,
Limitations
and
Qualifications**

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

Prepared by KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164)
Represented through its Director
Mr. Sachin Gulaty FRICS FIV FIIA
IBBI/RV/02/2021/14284



Name: Sachin Gulaty FRICS FIV FIIA

Designation: Director

Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND / OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5.1: Details of the Project Site and / or Project

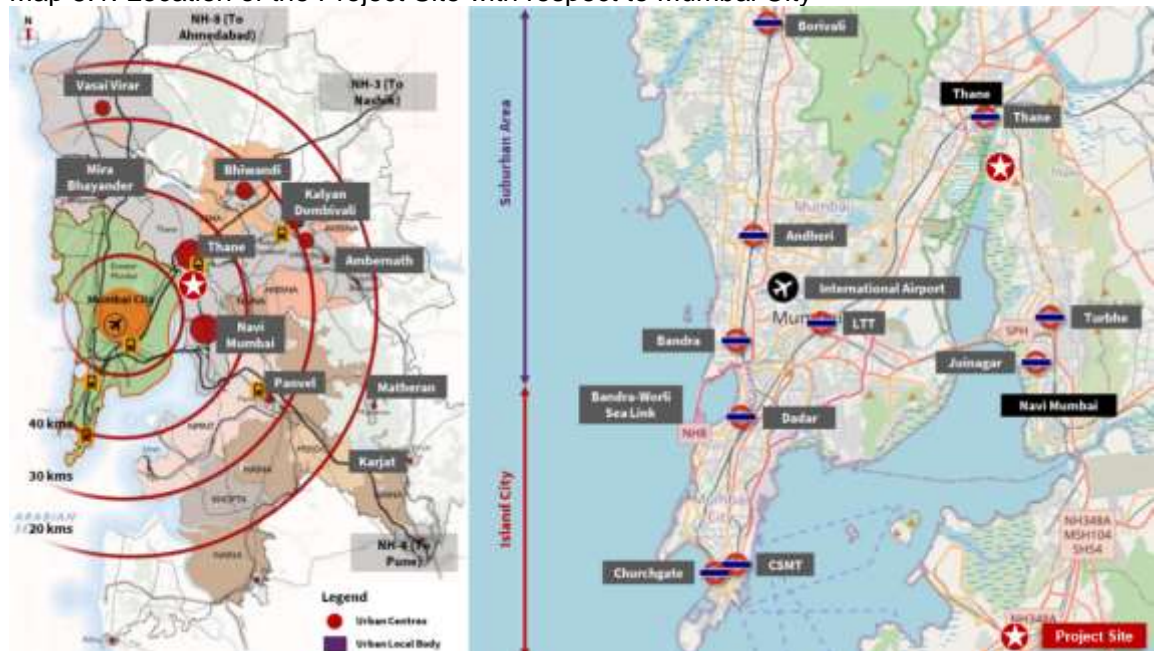
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Land Area	Total Plot Area: ~50.1 acres (Of which Land for Future Development component is ~1.76 acres)																																																				
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:																																																				
	<table><tr><th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>Building 1 – Office building completed</td><td>368,007</td></tr><tr><td>2.</td><td>Building 2 – Office building completed</td><td>344,370</td></tr><tr><td>3.</td><td>Building 3 – Office building completed</td><td>354,404</td></tr><tr><td>4.</td><td>Building 4 – Office building completed</td><td>349,433</td></tr><tr><td>5.</td><td>Building 5&6 – Office building completed</td><td>862,389</td></tr><tr><td>6.</td><td>Building 7 – Office building completed</td><td>345,376</td></tr><tr><td>7.</td><td>Building 8 – Office building completed</td><td>295,423</td></tr><tr><td>8.</td><td>Building 9 – Office building completed</td><td>359,847</td></tr><tr><td>9.</td><td>Building 10 – Office building completed</td><td>366,319</td></tr><tr><td>10.</td><td>Building 11 – Office building completed</td><td>353,159</td></tr><tr><td>11.</td><td>Building 12 – Office building completed</td><td>371,972</td></tr><tr><td>12.</td><td>Building 14 – Office building completed</td><td>344,247</td></tr><tr><td>13.</td><td>Club House – Completed</td><td>6,771</td></tr><tr><td>14.</td><td>Building 15 – Office building future development</td><td>800,000</td></tr><tr><td>15.</td><td>High Street Retail – Under construction</td><td>45,908</td></tr><tr><td></td><td>Total Leasable Area</td><td>5,567,625</td></tr></table>	Sl.	Building Name	Leasable Area (sq. ft.)	1.	Building 1 – Office building completed	368,007	2.	Building 2 – Office building completed	344,370	3.	Building 3 – Office building completed	354,404	4.	Building 4 – Office building completed	349,433	5.	Building 5&6 – Office building completed	862,389	6.	Building 7 – Office building completed	345,376	7.	Building 8 – Office building completed	295,423	8.	Building 9 – Office building completed	359,847	9.	Building 10 – Office building completed	366,319	10.	Building 11 – Office building completed	353,159	11.	Building 12 – Office building completed	371,972	12.	Building 14 – Office building completed	344,247	13.	Club House – Completed	6,771	14.	Building 15 – Office building future development	800,000	15.	High Street Retail – Under construction	45,908		Total Leasable Area	5,567,625	
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	Details of the Project in terms of Land Earmarked for Future Development:		
	Sl.	Land Parcel	Land Area (acres)
	1.	Land Parcel – For future development	1.76
		Total Land Area	1.76
	MBPPL has also invested in power distribution infrastructure for distributing power to SEZ tenants of the property.		
Access	Accessible through Thane-Belapur Road		
Frontage	Approximately 450 m frontage along Thane-Belapur Road		
Shape and Visibility	The topography of the project features terrain that is relatively flat and is regular in shape. It has excellent visibility from Thane-Belapur Road.		
Approval Status	List of approvals are specified in annexure		
INFRASTRUCTURE			
Water Supply, Sewerage & Drainage	Available within the Project		
Power & Telecommunication	Available within the Project		

5.2 LOCATION OF THE PROJECT

The Project Site is strategically located along the Thane-Belapur Road in the Thane-Belapur Road micro market of Navi Mumbai in the vicinity of Mumbai city and Thane. It is located at a distance of about 1.5 km from the Airoli Suburban Railway Station and about 15 km from the Eastern Express Highway. It is also situated near the upcoming Navi Mumbai International Airport. The map below presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to Mumbai City



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Airoli Railway Station	1.5
Airoli Circle	3.2
Mindspace Airoli West	4.0
Eastern Express Highway	15.0
Navi Mumbai International Airport	28.0

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The property is located in the Thane-Belapur Road micro market of Navi Mumbai in the Mumbai region. It lies along the Thane-Belapur Road and has excellent visibility from this access road. It is located at a distance of about 1.5 km from the Airoli Suburban Railway Station and about 15 km from the Eastern Express Highway. The topography of the project features terrain that is relatively flat and is regular in shape. The property has good frontage along the access road with one (1) main entrance and separate secured gates for the buildings within. The property is predominantly surrounded by commercial office spaces followed by residential and industrial developments.

The property is a Grade A, IT, SEZ Park and has two components i.e., a completed component and a future development component. The total leasable area of the property is 5,567,625 sq. ft. The completed component of the property comprises 12 commercial / office SEZ buildings (Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12 and 14) and a Club House with a total leasable area of 4,721,717 sq. ft. The under construction / future development component of the property includes a proposed Non SEZ office building (Building 15) and a proposed Non SEZ retail development (High Street Retail). The total leasable area of these future developments is 845,908 sq. ft and they are expected to be completed by Q3 FY27 (Building 15) and Q1 FY24 (High Street Retail). The property also includes ~1.76 acres of land earmarked for future development. The Club House has Food & Beverages (F&B) outlets on the ground floor and a gaming zone for employees. The map below presents location of the Project and its surroundings.

Map 5.2: Location of the Project and its Surrounding Developments



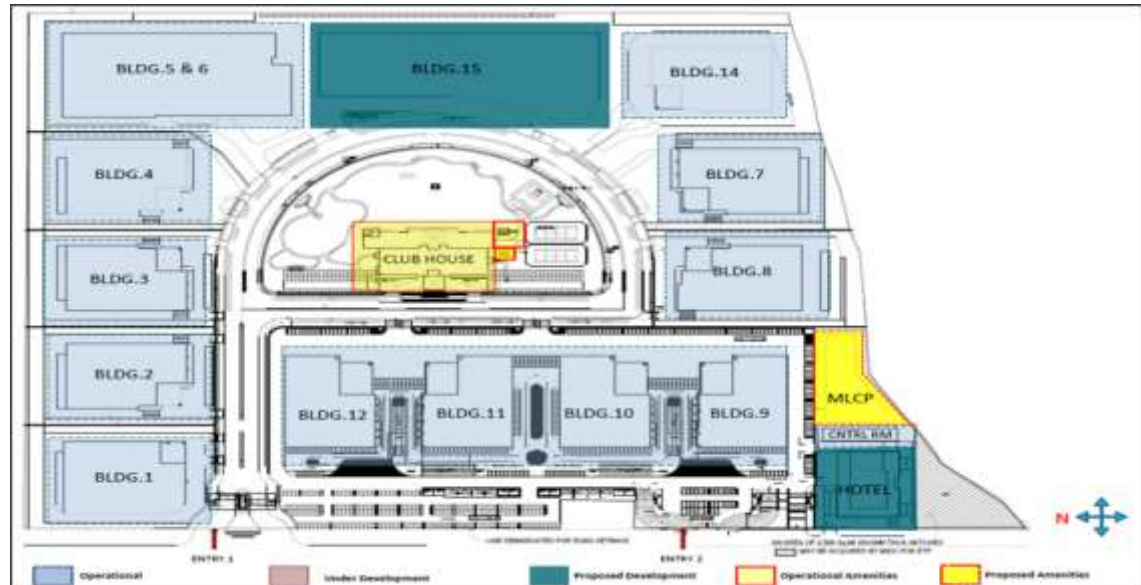
Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The Project has good accessibility due to its location along the Thane-Belapur Road facilitating easy connectivity to Thane, Mumbai and other parts of Navi Mumbai. Upcoming and proposed infrastructure such as the Navi Mumbai International Airport, New Thane Creek bridge at Vashi, Nhava Sheva Sea Link (Trans Harbour Link) and the Sewri-Worli Connector are expected to further enhance the connectivity of the Project micro market with other parts of Mumbai as well as the country and thereby improve accessibility.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

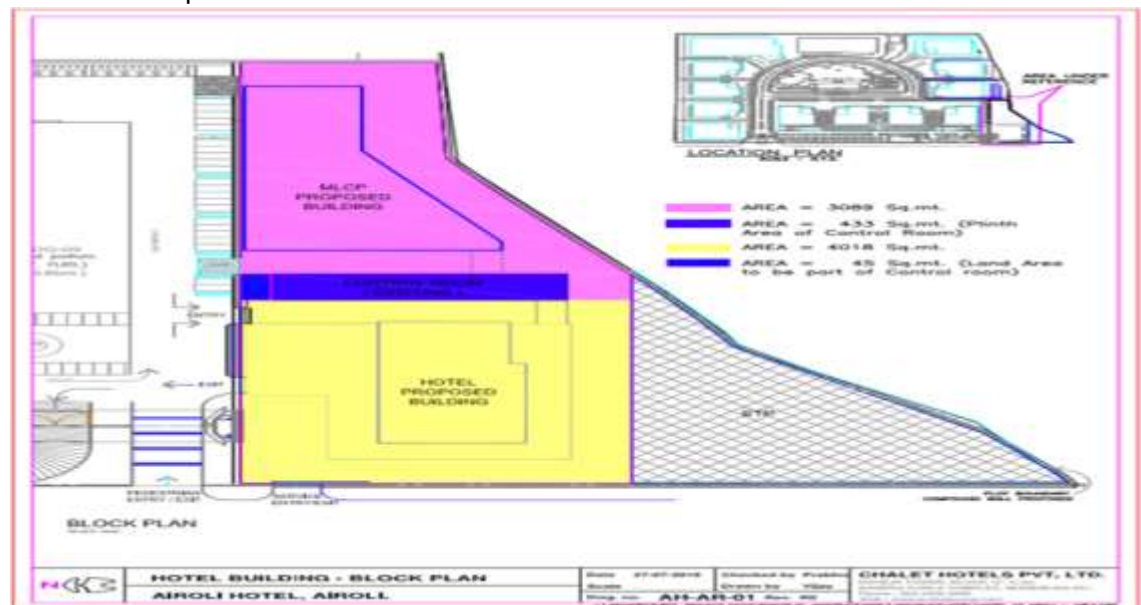
Map 5.3: Conceptual Layout Plan for the Project

Completed and Future Development Buildings:



Source: Client, 31st March 2023

Future Development Land:



Source: Client, 31st March 2023

The table below presents the boundary / edge conditions of the Project Site.

Table 5.3: Project Site and its Site Boundaries

North	Commercial development
South	Commercial development
West	Thane-Belapur Road
East	Vacant Land

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The Project is surrounded by commercial office spaces predominantly followed by residential and industrial developments in the vicinity. Grade A commercial / office developments and mid-scale residential developments are also present in the micro-market.

5.4 DESCRIPTION OF THE PROJECT

The property is a Grade A, IT, SEZ Park and has two components i.e., a completed component and a future development component. The total leasable area of the property is 5,567,625 sq. ft.

The completed component of the property comprises 12 commercial / office SEZ buildings (Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12 and 14) and a Club House with a total leasable area of 4,721,717 sq. ft. The under construction / future development component of the property includes a proposed Non SEZ office building (Building 15) and a proposed Non SEZ retail development (High Street Retail). The total leasable area of these future developments is 845,908 sq. ft and they are expected to be completed by Q3 FY27 (Building 15) and Q1 FY24 (High Street Retail). The property also includes ~1.76 acres of land earmarked for future development.

The Club House has Food & Beverages (F&B) outlets on the ground floor and a gaming zone for employees.

The topography of the project features terrain that is relatively flat and is regular in shape. The property is predominantly surrounded by commercial office spaces followed by residential and industrial developments.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1 – Office building completed	368,007
2.	Building 2 – Office building completed	344,370
3.	Building 3 – Office building completed	354,404
4.	Building 4 – Office building completed	349,433
5.	Building 5 & 6 – Office building completed	862,389
6.	Building 7 – Office building completed	345,376
7.	Building 8 – Office building completed	295,423
8.	Building 9 – Office building completed	359,847
9.	Building 10 – Office building completed	366,319
10.	Building 11 – Office building completed	353,159
11.	Building 12 – Office building completed	371,972
12.	Building 14 – Office building completed	344,247

13.	Club House – Completed	6,771
14.	Building 15 – Office building future development	800,000
15.	High Street Retail – Under construction	45,908
	Total Leasable Area	5,567,625

Source: Client, 31st March 2023

Table 5.5: Details of the Project in terms of Land Earmarked for Future Development.

Sl.	Land Parcel	Land Area (Acres)
1.	Land Parcel – For future development	1.76
	Total Land Area	1.76

Source: Client, 31st March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Amenities and infrastructure
- Total utility areas and internal roads
- Total open spaces

The table below presents key asset specific information.

Table 5.6: Key Asset Specific Information of the Project – Completed Buildings

Particulars	Description		
Name of the Entity	Mindspace Business Parks Private Limited		
Interest owned by Mindspace REIT	The underlying land is on leasehold basis from Maharashtra Industrial Development Corporation (MIDC); the buildings thereupon are wholly owned by Mindspace Business Parks Private Limited which is 100% owned and controlled by the Mindspace REIT ¹		
Land Extent	Total Plot Area: ~50.1 acres (Of which Land for Future Development component is 1.76 acres)		
Asset Type	IT Park with SEZ buildings		
Sub-Market	Navi Mumbai		
Approved and Existing Usage	IT SEZ		
Age of Building based on the Date of Occupancy Certificate ²	Sl.	Building Name	Age of the building
	1.	Building 1 – Office	9 years and 8 months
	2.	Building 2 – Office	11 years and 3 months
	3.	Building 3 – Office	13 years and 2 months
	4.	Building 4 – Office	12 years and 4 months
	5.	Building 5&6 – Office	11 years
	6.	Building 7 – Office	12 years
	7.	Building 8 – Office	13 years and 11 months
	8.	Building 9 – Office	9 years and 1 month
	9.	Building 10 – Office	9 years and 11 months

Particulars	Description		
	10.	Building 11 – Office	8 years and 4 months
	11.	Building 12 – Office	8 years and 2 months
	12.	Building 14 – Office	12 years and 10 months
	13.	Club House	9 years and 3 months
Current Status	Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12, 14 and Club House - Completed and Operational		
Approvals Status	List of approvals are specified in Annexure		
Freehold / Leasehold	The underlying land of the Project Site is held as leasehold from MIDC, which lease is valid for a term of 99 years from 1st August, 1964. Further, the company has right to renew the lease for a period of 99 years upon the terms and conditions therein. 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.		
Leasable Area	4.7 million sq. ft		
Occupied Area	4.2 million sq. ft		
Committed Area	4.2 million sq. ft		
Occupancy ³	88.3%		
Committed Occupancy ⁴	88.3%		
Number of Tenants	27		

¹ Refer company structure set out in Annexure 1

² Client has obtained occupancy certificate for entire leasable area measuring 4.2 million sq. ft (completed office buildings B1, B2, B3, B4, B5&6, B7, B8, B9, B10, B11, B12, B14)

³ Occupancy refers to proportion of area leased, which is actively occupied by the tenants / occupiers

⁴ Committed occupancy also includes area, which has been pre-leased to tenants / occupiers

Table 5.7: Key Asset Specific Information of the Project – Under Construction / Future Developments

Particulars	Description									
Name of the Entity	Mindspace Business Parks Private Limited									
Interest owned by Mindspace REIT	The underlying land is on leasehold basis from MIDC; the buildings thereupon are wholly owned by Mindspace Business Parks Private Limited which is 100% owned and controlled by the Mindspace REIT ¹									
Expected completion date of construction	Building 15 – Q3 FY27 High Street Retail – Q1 FY24									
Asset Type	Proposed Non SEZ buildings									
Sub-Market	Navi Mumbai									
Approved Usage	Non SEZ IT (Building 15) and Non SEZ Commercial (High Street Retail)									
Age of Building based on the Date of Occupancy Certificate	<table><tr><th>Sl.</th><th>Building Name</th><th>Age of the Building</th></tr><tr><td>1.</td><td>Building 15 – Office building</td><td>Future Development</td></tr><tr><td>2.</td><td>Retail Space – High Street Retail</td><td>Under Construction</td></tr></table>	Sl.	Building Name	Age of the Building	1.	Building 15 – Office building	Future Development	2.	Retail Space – High Street Retail	Under Construction
Sl.	Building Name	Age of the Building								
1.	Building 15 – Office building	Future Development								
2.	Retail Space – High Street Retail	Under Construction								

Particulars	Description									
Land Area	<table><tr><th>Sl.</th><th>Land Parcel</th><th>Land Area (Acres)</th></tr><tr><td>1.</td><td>Land area</td><td>~1.76</td></tr><tr><td></td><td>Total Land Area</td><td>~1.76</td></tr></table>	Sl.	Land Parcel	Land Area (Acres)	1.	Land area	~1.76		Total Land Area	~1.76
Sl.	Land Parcel	Land Area (Acres)								
1.	Land area	~1.76								
	Total Land Area	~1.76								
Current Status	Office Building 15 – Future Development, yet to commence construction High Street Retail – RCC works completed, Finishing work in progress Land – Future Development									
Approvals Status	List of approvals are specified in Annexure									
Freehold / Leasehold	The underlying land of the Project Site is held as leasehold from MIDC, which lease is valid for a term of 99 years from 1st August, 1964. Further, the company has right to renew the lease for a period of 99 years upon the terms and conditions therein. 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.									
Leasable Area	0.8 million sq. ft									
Occupied Area	0.0 million sq. ft									
Occupancy	0.0 million sq. ft									
Committed Occupancy	Nil									

Note: Only the currently formulated development potential of 0.8 million sq. ft (including the under construction / future developments, Building 15 and High Street Retail) have been considered for the purpose of valuation.

5.5 PROJECT INSPECTION

The Project is part of a larger campus development having a total leasable area of 5.6 million sq. ft spread across ~50.1 acres of land parcel. The topography of the project features terrain that is relatively flat and is regular in shape. The Project comprises 12 completed SEZ office buildings (Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12 and 14) and a Club House. It also comprises an under construction building and a future development - one proposed Non SEZ office building (Building 15) and one High Street Retail that are expected to be completed by Q3 FY27 (Building 15) and by Q1 FY24 (High Street Retail). Additionally, the property also includes ~1.76 acres of land earmarked for future development. 12 office buildings and the Club House are completed and operational, High Street Retail is under construction and Building 15 is earmarked for future development as on the date of inspection by the Valuer. The Project was inspected by the Valuer on 3rd April 2023.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance within the operational buildings. The utility areas also appeared well maintained, visually. No instances of any major logging or water accumulation were observed during the inspections. The inspections 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 is based completely on visual survey.

Some photographs of the Project and surroundings are given below



External Views of Buildings



External Views of Buildings



External Views of Buildings



External Views of Buildings



Clubhouse Area



Under Construction – High Street Retail



5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details, age of structure and type of building is summarised in the table below:-

Table 5.8: Area Details and Age of Structure

Sr No.	Building Name	Leasable Area (In Sq. Ft)	Usage Type	Status	Age of Building
1	Building 1 – Office	368,007	IT SEZ	Completed	9 years and 8 months
2	Building 2 – Office	344,370	IT SEZ	Completed	11 years and 3 months
3	Building 3 – Office	354,404	IT SEZ	Completed	13 years and 2 months
4	Building 4 – Office	349,433	IT SEZ	Completed	12 years and 4 months
5	Building 5&6 – Office	862,389	IT SEZ	Completed	11 years
6	Building 7 – Office	345,376	IT SEZ	Completed	12 years
7	Building 8 – Office	295,423	IT SEZ	Completed	13 years and 11 months
8	Building 9 – Office	359,847	IT SEZ	Completed	9 years and 1 month

Sr No.	Building Name	Leasable Area (In Sq. Ft)	Usage Type	Status	Age of Building
9	Building 10 – Office	366,319	IT SEZ	Completed	9 years and 11 months
10	Building 11 – Office	353,159	IT SEZ	Completed	8 years and 4 months
11	Building 12 – Office	371,972	IT SEZ	Completed	8 years and 2 months
12	Building 14 – Office	344,247	IT SEZ	Completed	12 years and 10 months
13	Club House	6,771	SEZ	Completed	9 years and 3 months
14	Building 15 – Office	800,000	IT (Non SEZ, proposed to be de-notified)	Future development	Completion Expected in Q3 FY27
15	High Street Retail	45,908	Commercial (de-notification applied)	Under construction	Completion expected in Q1 FY24

Developable Area of the Project

The total site area is ~50.1 acres with a total leasable area is 5.6 million sq. ft. The completed component of the property comprises 12 commercial / office SEZ buildings (Buildings 1, 2, 3, 4, 5&6, 7, 8, 9, 10, 11, 12 and 14) and a Club House with a total leasable area of 4.7 million sq. ft. The under construction / future development component of the property includes a proposed Non SEZ office building (Building 15) and a proposed Non SEZ retail development (High Street Retail). The total leasable area of these future developments is 0.8 million sq. ft and they are expected to be completed by Q3 FY27 (Building 15) and Q1 FY24 (High Street Retail). The property also includes ~1.76 acres of land earmarked for future development.

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in the operational building.

Below mentioned properties are undergoing upgradation / further development the budget and cost incurred details for the same are as follows:

For Completed Project –

Office buildings (B1, B2, B3, B4, B5, B6, B7, B8, B9, B10, B11, B12, B14) and Club House – INR 451 million CAPEX (upgrade) to be incurred by Q1 FY26.

For Under Construction / Future Development –

Office building (B15)– INR 4,691 million CAPEX (Construction cost, project support services) to be incurred till Q1 FY28. The construction is expected to start by Q1 FY25 while building is expected to be completed by Q3 FY27.

High Street Retail - INR 417 million CAPEX (Construction cost, project support services) to be incurred till Q1 FY25 while building is expected to be completed by Q1 FY24.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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 Project is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

The Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low risk of flooding and perennial water logging.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders or as specified below, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

MBPPL has entered into memorandum of understandings dated August 05, 2016 and supplemental memorandum of understandings dated December 16, 2019, as extended from time to time, ("MoUs"). As per the MoU, MBPPL has granted an option to Chalet Hotels to acquire a portion admeasuring approximately 1.8 acres, at Airoli, Navi Mumbai, on a sub - lease basis for development of a hotel building and for a pre-agreed consideration, subject to MBPPL obtaining the requisite approvals.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer (which are specified in Annexure 7), relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS**Tenant Profile of Top 10 Tenants**

As on 31st March 2023, the Project has 27 tenants (for office space) which include Larsen & Toubro Infotech Limited (LTIMindtree Limited), Accenture Services Pvt. Ltd. (Accenture Solutions Pvt. Ltd.), L&T Technology Services Ltd., Gebbs Healthcare Solutions Pvt. Ltd Cognizant Technology Solutions (I) Pvt. Ltd., etc.

The Project's top 10 tenants account for ~80.6% of the Gross Rental income.

The top 10 Tenants as per Leasable areas is listed below: -

Table 5.9: Top 10 Tenants as per Leasable areas

Sr No.	Tenant	Leasable Area (Sq Ft)
1	Accenture Services Pvt. Ltd. (Accenture Solutions Pvt. Ltd.)	1,036,722
2	Larsen & Toubro Infotech Limited (LTIMindtree Limited)	594,394
3	Wipro Ltd	345,376
4	eClerx Services Ltd	312,032
5	Citiustech Healthcare Technology Pvt. Ltd	268,144
6	Cognizant Technology Solutions (I) Pvt. Ltd.	246,581
7	State Street Syntel Services Pvt. Ltd	197,048
8	Syntel Private Limited	152,385
9	L&T Technology Services Ltd.	151,261
10	Inventurus Knowledge Solutions Pvt. Ltd. (Inventurus Knowledge Solutions Ltd.)	149,659
	TOTAL	3,453,602

The top 10 Tenants as per Gross Rents are listed below: -

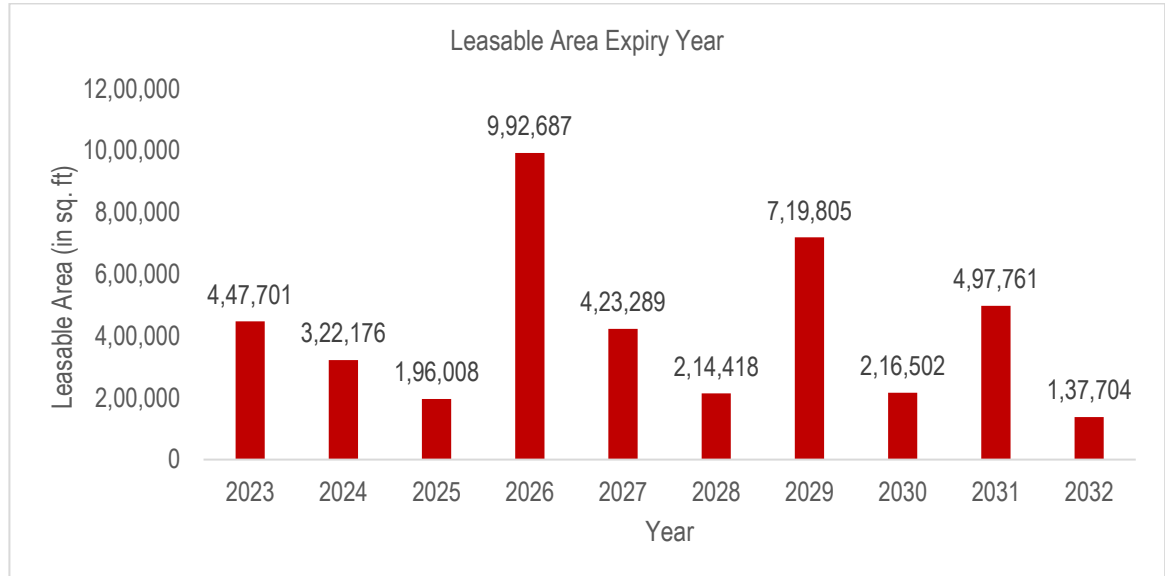
Table 5.10: Top 10 Tenants as per Gross Rentals

Sr No.	Tenant	Share of Gross Rentals*
1	Accenture Services Pvt. Ltd. (Accenture Solutions Pvt. Ltd.)	20%
2	Larsen & Toubro Infotech Limited (LTIMindtree Limited)	15%
3	eClerx Services Ltd	8%
4	Wipro Ltd	8%
5	Citiustech Healthcare Technology Pvt. Ltd	7%
6	Cognizant Technology Solutions (I) Pvt. Ltd.	6%
7	State Street Syntel Services Pvt. Ltd	5%
8	L&T Technology Services Ltd.	4%
9	Inventurus Knowledge Solutions Pvt. Ltd. (Inventurus Knowledge Solutions Ltd.)	4%
10	Syntel Private Limited	4%
	TOTAL	81%

* For some of the tenants, rent commencement date may not have occurred

Lease Expiry Analysis

The WALE of the property is 4.6 years based on area shared by the client, with 46% of occupied area expiring between CY 2023 and CY 2026 as shown in the chart below:



Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 5% every year or 15% every 3 years.

5.8 POWER DISTRIBUTION SERVICES

In accordance with Section 14 (b) of the Electricity Act, 2003 read with Section 4(1) of the SEZ Act, 2005, entities that own and operate SEZ Parks are considered Deemed Distribution Licensee for supplying electricity to consumers within the SEZ area. Pursuant to the above regulations, MBPPL also has the license to distribute power within the Project Site.

The SPV has invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators supplying to the grid and then distribute it to the end consumers within the Project Site. The SPV is not allowed to expand the power distribution outside the limits of the SEZ, i.e., the Project Site in this case.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Mumbai is the financial capital, an economic powerhouse and one of the key industrial hubs of India. Mumbai is not only home to leading corporate houses and global firms but also to Asia's oldest stock exchange — Bombay Stock Exchange (BSE). According to The Economic Survey of Maharashtra, The Mumbai Metropolitan Region (MMR) contributed about 6.1% to the total GDP of the country in FY 2022. It is the top contributor to the country's exchequer and is expected to account for almost 1/3rd of India's overall tax collection for the financial year ending March 2023. It is also one of the most expensive real estate markets in India, with rents and capital values in the key office sub-markets being some of the highest in the country. Mumbai also has the second-highest office stock in India after Bengaluru. Since 2018, it has been ranked amongst the top 20 cities in JLL's City Momentum Index for its strong real estate demand dynamics.

Mumbai city continued to register a strong comeback in Q1 2023 after the COVID-19 pandemic, even as the global headwinds of geopolitical tensions, declining global growth forecasts and inflation, both domestically and internationally, lingered. In terms of COVID-related restrictions, almost all non-essential activities resumed and were operating normally during the quarter. Both public and private offices are allowed to operate at full capacity and on a 24x7 basis, where applicable, provided the workers' timings are staggered and employees are fully vaccinated. Although the state government has relaxed the restrictions for private offices, they were still operating at only 70–80% capacity.

During the quarter, retail, hospitality and real estate, which are large contributors to the city's economy and employment, continued to gain momentum. Residential and commercial real estate activities were also operating at full pace as demand for homes continued to remain strong and increased demand for office space by existing as well new occupiers from new-age industries also emerged. The city's economy is likely to continue its growth momentum as 100% employees return to offices and domestic demand increases further.

6.3 INFRASTRUCTURE INITIATIVES

Existing infrastructure

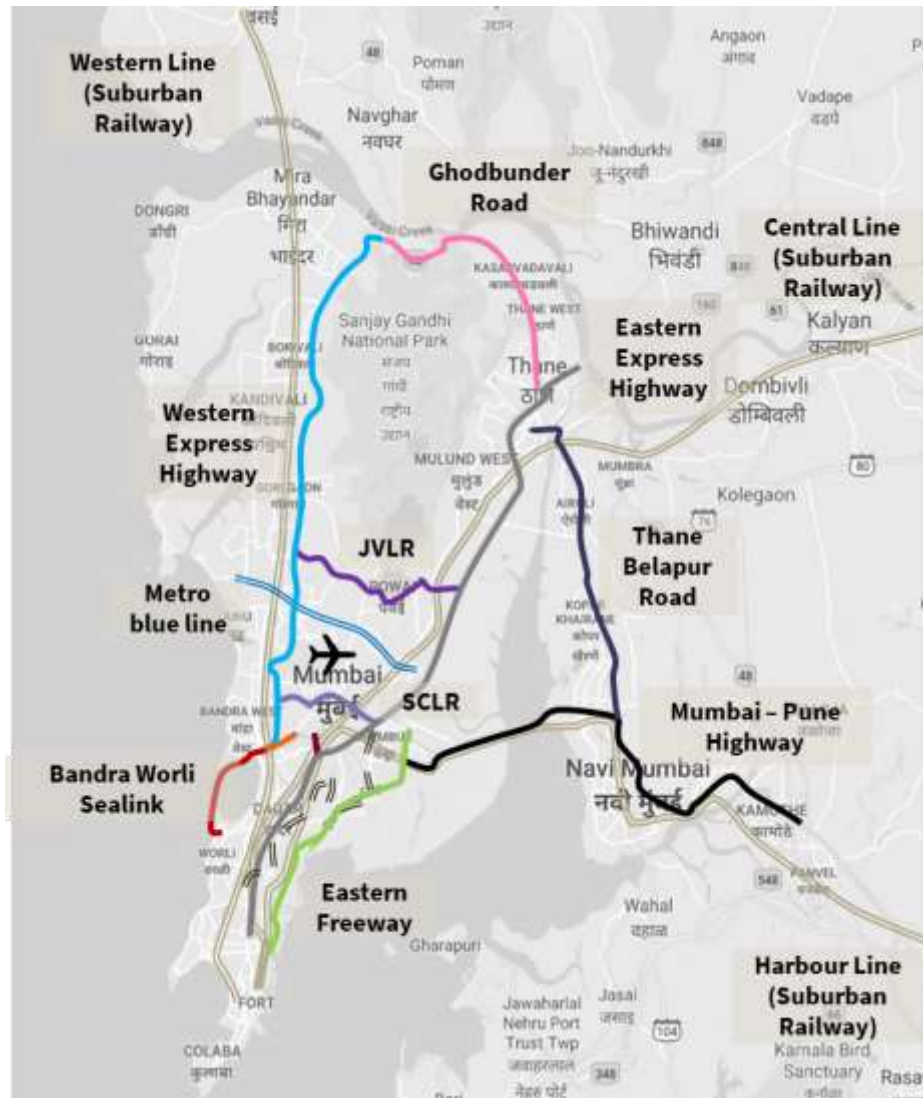
Existing Project	Completion timeline	Details	Key impact zones
Bandra Worli Sealink	2009	5.6 km long, 8-lane wide bridge that links Bandra with South Mumbai.	SBD Central, BKC & Annex and BKC Outskirts
Sealink to Bandra Kurla Complex (BKC) Connector	2021	604 meter long, two-lane flyover	BKC & Annex and BKC Outskirts
BKC – Eastern Express Highway Connector	2019	1.6 km connector from G Block of BKC to the EEH	BKC & Annex, BKC Outskirts and Eastern Suburbs
Western Express Highway (WEH)	2002	North–south 8-10 lane arterial road of 25.33 km	BKC & Annex, BKC Outskirts, Western Suburbs and Malad-Goregaon
Eastern Express Highway (EEH)	2013	23.55 km city express highway	BKC & Annex, BKC Outskirts and Eastern Suburbs
Eastern Freeway	2013	16.8 km long controlled-access highway	CBD, SBD Central and Eastern Suburbs
JVLR (Jogeshwari Vikhroli Link Road)	1994	10.6 km long 6 lane road connecting the WEH and EEH	Western and Eastern Suburbs and Malad-Goregaon
SCLR (Santacruz Chembur Link Road)	2014	6.45-kilometre-long (4.01 mi) arterial road connecting WEH and EEH	BKC Outskirts, and Eastern suburbs
Ghodbunder Road	NA		Thane
Thane Belapur Road	NA	The road has been widened to a total of 6 lanes	Thane and Thane-Belapur Road
Mumbai – Pune Highway	2002	6-lane wide tolled expressway spanning a distance of 94.5 km	Thane-Belapur Road, Navi Mumbai Others
Western Line (Suburban Railway)	1853	Consists of 37 stations from Dahanu Road to Churchgate railway station.	CBD, BKC & Annex, BKC Outskirts, SBD Central, Western Suburbs, Malad-Goregaon
Central Line (Suburban Railway)	1853	Consists of 24 stations from Chhatrapati Shivaji Maharaj Terminus to Kalyan	CBD, SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs, Eastern Suburbs, Thane
Harbour Line (Suburban Railway)	1910	The Harbour line is a branch line of the Mumbai Suburban Railway	CBD, SBD Central, Thane-Belapur Road and Navi Mumbai Others
Monorail Line 1 (Jacob Circle – Wadala)	2014	20.21 km line and is fully elevated	SBD Central
Chhatrapati Shivaji Maharaj International Airport	1942	It has two operating terminals spread over 750 hectares handling 950 aircraft per day.	Western Suburbs, Malad-Goregaon

Upcoming infrastructure

Submarket of Thane-Belapur Road and Navi Mumbai Others will benefit from the proposed Navi Mumbai international airport. A proposed airport would positively impact the real estate market in Navi Mumbai by improving area's commercial value, mainly through generating employment opportunities. Furthermore, it will also ease the burden on Mumbai's Chhatrapati Shivaji International Airport (CSIA) which accounts for over 25% of the entire air traffic in India.

Submarkets like CBD, SBD Central and Western Suburbs and Malad-Goregaon will benefit from the coastal road project. It will help improve the connectivity and reduce the commuting time by 70%. Further, it will create easy access to the commercial hotspots of South Mumbai. Most importantly, it will decongest the expressway and local railways. This will lead to an uptick in the housing demand in the nearby suburbs and boost property prices.

Mumbai - Map of existing and upcoming infrastructure



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

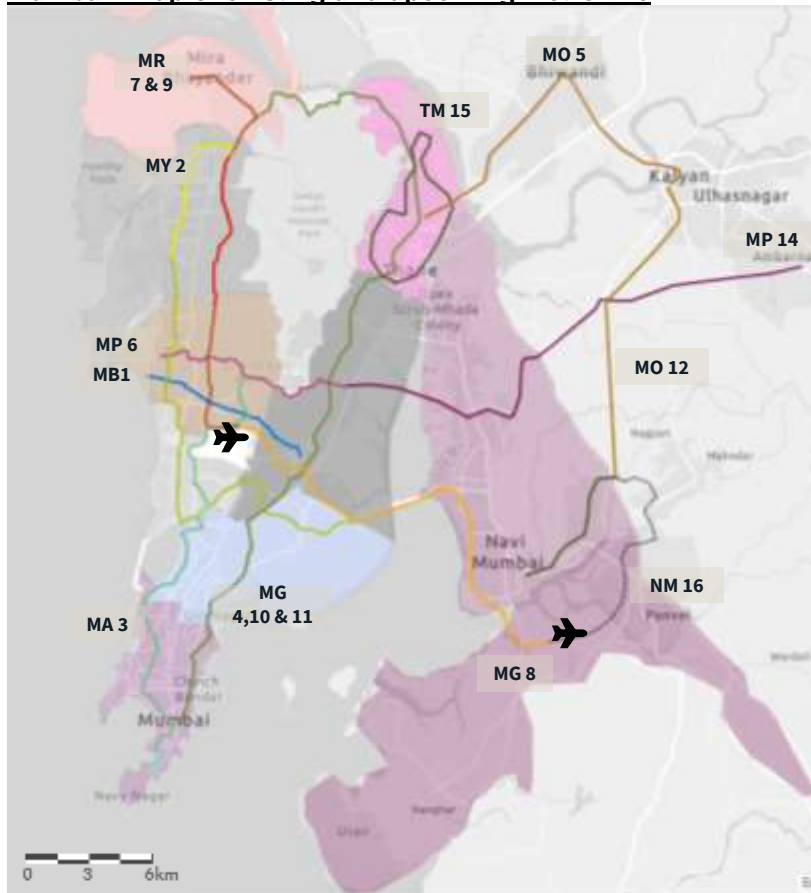
Upcoming Metro Lines - Mumbai

Upcoming Project		Completion timeline	Details	Key impact zones
Metro Yellow line 2A and B	MY 2	2022 & 2023	Dahisar – Andheri West – Mankhurd	Western Suburbs and Malad-Goregaon
Metro Aqua line 3	MA 3	2023	Colaba-Bandra-SEEPZ	CBD and SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs
Metro Green Line 4	MG 4,10,11	2024	Wadala – Kasarvadavali – Gaimukh	Eastern Suburbs and Thane

Upcoming Project		Completion timeline	Details	Key impact zones
Metro Orange Line 5	MO 5	2024	Thane – Bhiwandi – Kalyan	Thane
Metro Pink Line 6	MP 6	2024	Lokhandwala – Jogeshwari – Kanjurmarg	Western and Eastern Suburbs,
Metro Gold Line 8	MG 8	2026	CSMIA T2 – NMIA (indicative)	Western Suburbs, Thane-Belapur Road, Navi Mumbai Others and Malad-Goregaon
Metro Red Line 9	MR 7 & 9	2024	Dahisar – Mira Bhayandar	Malad-Goregaon
Metro Green Line 10	MG 4,10,11	2025	Gaimukh – Shivaji Chowk (Mira Road)	Thane
Metro Green Line 11	MG 4,10,11	2025	Wadala – CSMT	SBD Central and CBD
Metro Orange Line 12	MO 12	2025	Kalyan – Dombivali – Taloja	Navi Mumbai Others
Metro Magenta Line 14	MM 14	2026	Vikhroli – Badlapur (indicative)	Eastern Suburbs and Thane
Thane Metro	TM 15	2026	Raila Devi – New Thane (indicative)	Thane
Navi Mumbai Metro	NM 16	2024	Belapur – NMIA (indicative)	Thane-Belapur Road and Navi Mumbai Others

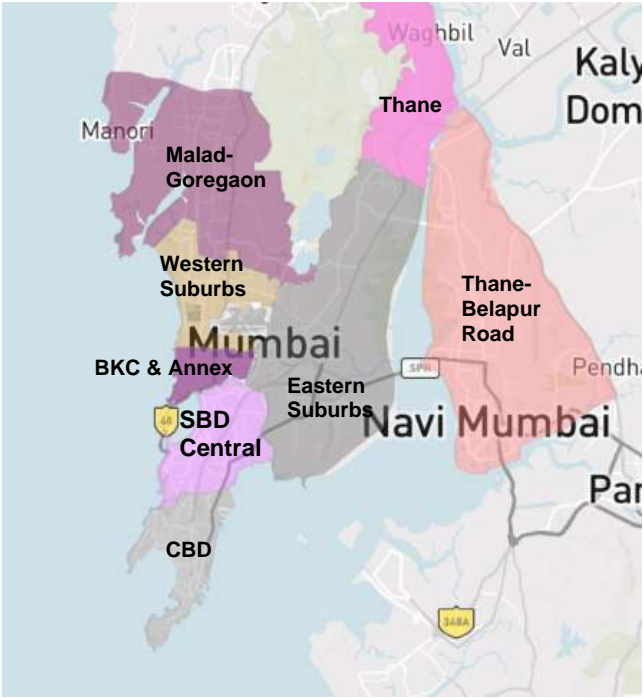
Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Mumbai - Map of existing and upcoming metro line



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

6.4 MUMBAI - OFFICE SUBMARKETS

Submarket	Locations	
CBD	Nariman Point, Churchgate, Fort, Ballard Estate, Cuffe Parade	
SBD Central	Lower Parel, Dadar, Worli, Prabhadevi, Parel, Mahalaxmi	
BKC & Annex	BKC	
BKC Outskirts	Kalina, Kurla, Bandra East, Santacruz East	
Western Suburbs	Andheri East, Jogeshwari, Andheri West	
Malad-Goregaon	Goregaon, Malad, Borivali	
Eastern Suburbs	Powai, LBS Marg, Ghatkopar, Vikhroli, Mulund, Sion	
Thane	Wagle Estate, Ghodbunder Road	
Thane-Belapur Road	Airoli, Mahape, Khoparkhairane, Turbhe, Juinagar, Nerul, CBD Belapur	

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Leasing Activity

City Market Trends

	Total Stock (mn sq. ft)	Net Absorption (mn sq. ft)				Vacancy (%)	
		Q1 2023	Q4 2022 (Q-o-Q Change)	Q1 2022 (Y-o-Y change)	Q1 2023	Q4 2022 (Q-o-Q Change)	Q1 2022 (Y-o-Y change)
Overall	125.0	1.0	42.2%	-5.3%	19.0%	-70 bps	-190 bps
CBD	5.0	0.0	202.9%	NA	9.6%	-70 bps	-110 bps
SBD Central	17.0	0.4	111.2%	28.0%	25.6%	-210 bps	280 bps
BKC & Annex	9.3	0.03	-52.2%	69.6%	8.8%	-40 bps	220 bps
BKC Outskirts	7.4	0.11	26.9%	75.2%	13.9%	-150 bps	-1,090 bps
Western Suburbs	20.2	0.1	299.2%	-63.4%	17.4%	-60 bps	40 bps
Malad-Goregaon	17.1	0.0	-127.9%	-90.2%	14.3%	-10 bps	-40 bps
East Suburbs	15.7	0.1	-272.1%	-51.9%	15.3%	-40 bps	60 bps
Thane	8.9	0.0	-51.6%	-91.3%	17.2%	-10 bps	660 bps

	Total Stock (mn sq. ft)	Net Absorption (mn sq. ft)				Vacancy (%)	
		Q1 2023	Q4 2022 (Q-o-Q Change)	Q1 2022 (Y-o-Y change)	Q1 2023	Q4 2022 (Q-o-Q Change)	Q1 2022 (Y-o-Y change)
Thane-Belapur Road	20.0	0.3	-33.0%	752.9%	23.2%	-70 bps	-300 bps
Navi Mumbai Others	4.2	0.02	NA	NA	59.1%	-40 bps	-250 bps

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The city's office leasing activity continued to gain momentum in Q1 2023 as most businesses resumed operations and the intensity of work-from-home reduced with the return of employees to the office, albeit with minimal restrictions still in place. While the phased reopening began in the second half 2021, accelerated revival in market conditions was witnessed, especially towards the end of 2022. However, we did see occupiers becoming cautious as a slowdown in global economy and high inflation levels prevailed. The quarter witnessed sluggish leasing activity of 1.5 million sq ft (Gross Leasing Volume) as compared to the previous quarter with 3.3 million sq ft. However, the GLV for the quarter was at par with the pre pandemic levels, thanks to some resilience from the Manufacturing/Industrial, Consulting, BFSI and IT/ITeS sectors. During the quarter, the Thane-Belapur Road, BKC & Annex, BKC Outskirts, Western Suburbs and SBD Central sub-markets were the most active and saw better leasing activity when compared to other sub-markets. Mumbai office space saw a net absorption of 1.01 million sq ft in Q1 2023, which was 42% higher q-o-q. A major part of this net absorption was attributable to the office space take-up in projects recently completed in 2021–2022.

Leasing activity gained momentum as the pandemic-induced restrictions were scaled back, and also due to strong performance by domestic industries and an increase in the percentage of employees returning to the office. Enquiries for new office space and expansion-driven space increased during the quarter. Co working operators continued to take-up space as demand for managed workspaces gathered momentum. All major pre-commitments remained intact; moreover, some occupiers exercised their hard option to take additional space. Office space leasing activity during the quarter was mostly driven by large to medium-sized deals.

Redbrick Offices Ltd. leased additional 17,537 sq ft in Kaledonia in Western Suburbs and Executive Centre renewed 10,829 sq ft in The Capital, in BKC & Annex. Within the Non-IT category, Aditya Birla Finance leased 76,004 sq ft at G Corp Tech Park, Thane and in the IT/ITeS category Hi Solutions renewed 89,759 sq ft in Hiranandani Business Park Lighthall B in Western Suburbs.

Post COVID the city has witnessed increased demand by the occupiers from the medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. In 2023, we expect demand to outpace supply, leading to a decrease in vacancy levels.

Vacancy

Quarterly net absorption outpaced new supply and pushed the vacancy rate down to 19% in Q1 2023. All the submarkets recorded a decrease in vacancy levels, on a q-o-q basis. The overall impact was a 70-bps q-o-q decline in the city's vacancy level.

New Supply

Post-pandemic construction activity has been going on at the optimum level and continued at similar levels during the quarter. However, few project completions were deferred to next quarter as they await their occupation certificates. Only one project - Newa Non-IT Bhakti Knowledge Park Phase 1 (0.15 mn sq ft), in Thane-Belapur Road was completed during the quarter. This led to the total Grade A stock for Mumbai increasing by 0.15 million sq ft to 125 million sq ft.

The pace of construction activity was at an optimum level as most of the COVID-related restrictions have been removed. By end-2027, overall stock is expected to see an addition of around 40 million sq ft of Grade A space, with Thane-Belapur Road, SBD Central, BKC Outskirts and Malad-Goregaon sub-markets combining to account for 80% of the future supply.

Outlook

About 7.5 million sq ft of office space is scheduled to complete in 2023. An optimum pace of construction activity is expected, barring any unexpected fresh COVID-19 outbreaks. Demand for flex space and managed workspaces is likely to be high as occupiers prefer fully fitted options to save on costs while gaining flexibility in their portfolio as part of their evolving workspace strategy.

Total net absorption in 2023 is expected to be around 4.8 mn sq ft. Demand is expected to be driven by medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. Towards end-2023, supply is expected to outpace demand, leading to an increase in vacancy rates. Capital values are expected to rise faster than rents due to rising investor interest, leading to a compression of yields in key submarkets for quality assets.

6.5 MICRO MARKET : THANE-BELAPUR ROAD

The Mindspace Airoli East project lies in the Thane-Belapur Road micro market.

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate

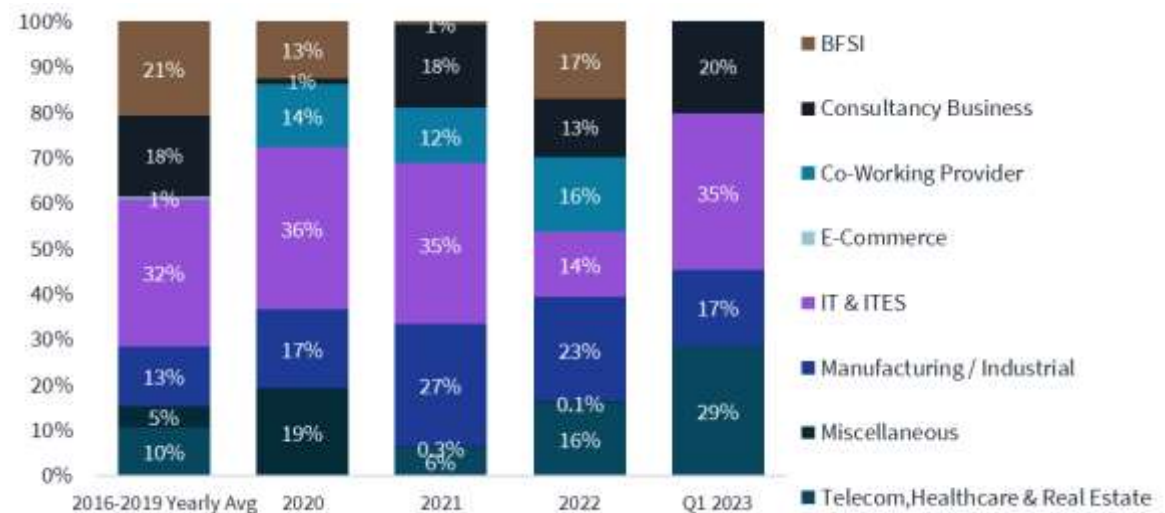


Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Mindspace Airoli East project lies in the Thane Belapur Road micro-market.

Leasing Activity

Occupier share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

In Q1 2023, the Thane-Belapur Road submarket witnessed a healthy 267,358 sq ft of net absorption; however, it was lower by 33% q-o-q but higher by 752% y-o-y. Most of the absorption came from space take-ups in recently completed projects. Tecnimont leased 67,051 sq ft in Gigaplex B9 and Heubach Colorants India leased 24,330 sq ft in Rupa Renaissance. Thane-Belapur Road is one of the most favoured sub-markets amongst IT/ITES occupiers as it offers a good supply of quality space with large floor plates, ideal for consolidating and expanding within the campus.

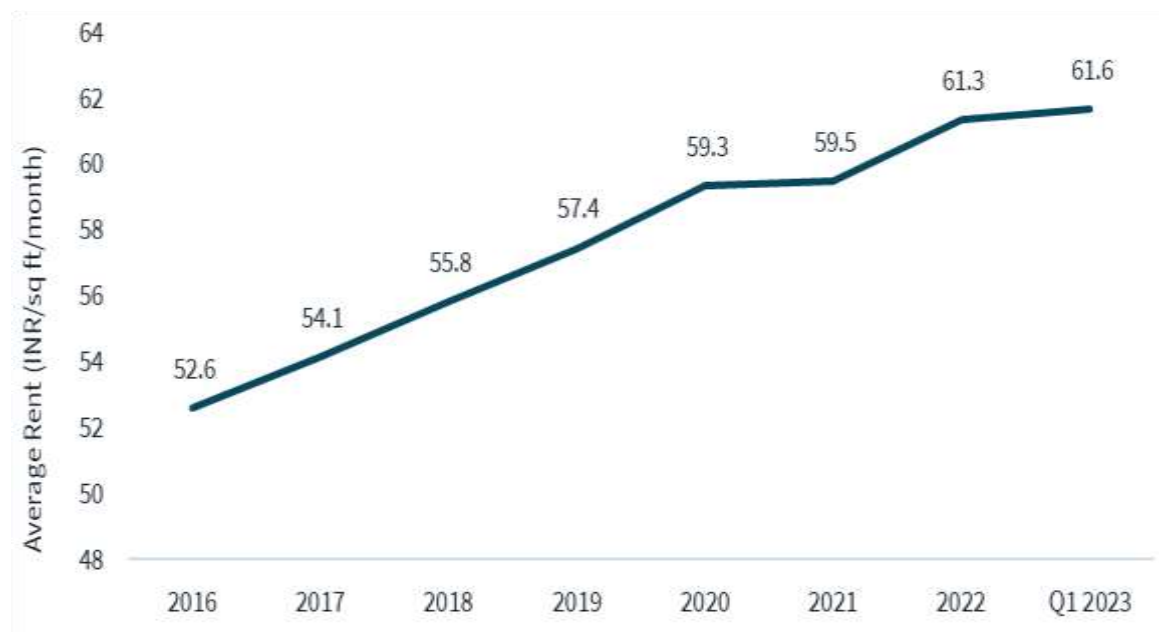
Supply

One new project, Newa non-IT Bhakti Knowledge Park Phase 1 with 0.15 million sq ft, was completed during the quarter. Thane-Belapur Road is still the largest submarket in the city and has 24.2 million sq ft of Grade A Office space, accounting for a 19% share of the total city stock.

Vacancy

Strong leasing activity and marginal increase in stock led to the vacancy rate to record a drop during the quarter, declining by 70 bps q-o-q to 23.2%. Prominent projects like Mindspace REIT Airoli and Gigaplex offered limited options with vacancies at just around 5–10%.

Rents



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Note: Mindspace REIT micro markets, 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.

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market

Table 6.1: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Occupier Name	Name of the Building	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
1	Heubach Colorants India Limited	Rupa Renaissance	Turbhe	24,330	76 - 80	Q1 2023
2	Aegis Customer Support Services Private Limited	Rupa Solitaire	Mahape	23,348	65 - 69	Q1 2023
3	Aldrich Business Services Private Limited	Rupa Renaissance	Turbhe	20,000	85 - 89	Q1 2023
4	Jibe Development Services Private Limited	Rupa Renaissance	Turbhe	20,000	68 - 72	Q1 2023
5	BDX India Private Limited	Rupa Renaissance	Turbhe	17,150	51 - 55	Q1 2023
6	Jibe Data Analytics Services Private Limited	Rupa Renaissance	Turbhe	10,000	68 - 72	Q1 2023
7	GBIM Technologies Private Limited	Rupa Solitaire	Mahape	7,673	63 - 67	Q1 2023
8	Zoomlion India Private Limited	Akshar Business Park	Turbhe	5,264	89 - 93	Q1 2023
9	Unipart Services India Private Limited	Cyber One	Vashi	4,546	78 - 82	Q1 2023
10	BNM Business Solutions LLP	Akshar Business Park	Turbhe	3,934	60 - 64	Q1 2023
11	Safilo India Private Limited	Arihant Aura - Tower B	Turbhe	3,905	53 - 57	Q1 2023
12	Boppo Technologies Private Limited	Rupa Solitaire	Mahape	3,884	68 - 72	Q1 2023
13	First Solution Services	Rupa Solitaire	Mahape	3,884	68 - 72	Q1 2023
14	Unipart Services India Private Limited	Cyber One	Vashi	1,505	78 - 82	Q1 2023
15	EFC India	Empire Tower	Airoli	62,634	65 - 68	Q4 2022
16	Birla Management	Empire Tower	Airoli	27,347	58 - 60	Q4 2022
17	Reliable Spaces	Empire Tower	Airoli	12,360	63 - 66	Q3 2022
18	EFC	Empire Tower	Airoli	55,825	58 - 60	Q3 2022
19	Nouryon Chemicals India	Empire Tower	Airoli	18,960	52 - 55	Q2 2022
20	Neelkanth Hospitality	Empire Tower	Airoli	4,227	48 - 50	Q2 2022
21	EFC	Empire Tower	Airoli	62,598	52 - 55	Q2 2022
22	Sify Infnit Spaces	Reliable Plaza	Airoli	127,000	61 - 65	Q3 2022
23	Heubach Colorants India	Reliable Tech Park	Airoli	28,707	55 - 58	Q4 2022
24	Spocto Solutions	Reliable Tech Park	Airoli	50,224	45 - 47	Q2 2022
25	Reliable Spaces	Reliable Tech Park	Airoli	63,257	45 - 47	Q1 2022

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The lease transactions in the Thane-Belapur Road micro market are recorded in the range of INR 50 – 80 per sq. ft per month. The lease transactions in Airoli East location where the Project is located are in the range of INR 55 to 65 per sq. ft per month. Market rent for Mindspace Airoli East Project has been considered in line with the achievable market rent for completed buildings at INR 59 per sq. ft per month.

Investment Activities within the Micro Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro market location, Project, leases prevailing etc.

Investment Activities within the Country

The table below presents details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6.2: List of transactions / deals in recent past:

Sl. No.	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 - 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 - 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 - 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% - 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 - 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 - 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Project Site is **Mindspace Airoli East** which is one of the known developments for IT/ITeS companies located in the Thane-Belapur Road micro market at Airoli in Navi Mumbai City. The Project is a part of **Mindspace Business Parks REIT** (Mindspace REIT) portfolio. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A, IT SEZ space spread across 12 completed and operational buildings with good amenities and facilities. There are prominent clients in the larger campus such as include Larsen & Toubro Infotech Limited (LTIMindtree Limited), Accenture Services Pvt. Ltd. (Accenture Solutions Pvt. Ltd.), L&T Technology Services Ltd., Gebbs Healthcare Solutions Pvt. Ltd Cognizant Technology Solutions (I) Pvt. Ltd., etc. and is a preferred office space in this micro market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate has been arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

Over the next five years, the Thane-Belapur Road micro market is likely to add about 10.5 million sq. ft of Grade A supply. As a result of this continuous infusion of supply into the micro market, rents are expected to remain stable or grow in a few marquee projects.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial / office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub / above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market / marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.1.1 CASH FLOW PROJECTIONS

The cash flows for the Project have been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction / future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant / under-construction / future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimation 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 lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.1.2 CONSTRUCTION TIMELINES

As mentioned earlier, the Project has approx. 5.6 million sq. ft. leasable area under 12 office buildings and a Club House which are complete and operational. It also includes two future developments (Building 15 and High Street Retail). Some of the properties are undergoing upgradation / further development the budget and cost incurred details for the same are as follows:

For Completed Project –

Office buildings (B1, B2, B3, B4, B5, B6, B7, B8, B9, B10, B11, B12, B14) and Club House – The project has received full occupancy certificate. However, there is upgrade CAPEX to the tune of approx. INR 451 million which shall be completed by Q1 FY26.

For Under Construction / Future Development –

Office building (B15) – approx. INR 4,691 million CAPEX (Construction cost, project support services and approval costs) to be incurred till Q1 FY28 while building is expected to be completed by Q3 FY27.

High Street Retail – approx. INR 417 million CAPEX (Construction cost, project support services) to be incurred till Q1 FY25 while building is expected to be completed by Q1 FY24.

7.1.3 ABSORPTION / LEASING VELOCITY AND OCCUPANCY PROFILE

As the Project Site is an IT SEZ Park (the completed and operational 12 office buildings), it has a 100% IT / ITES occupancy profile.

7.1.4 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and / or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-2033	As per workings
Asset Details		
Total Leasable Area	4,721,717 sq ft	As per the information provided by the Client
Leased Area	4,168,051 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	553,666 sq ft / 11.7%	As per the information provided by the Client
Vacancy Allowance	2.0%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	553,666 sq ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market for Grade A properties, the rent free period for existing lease rollovers is two months.
Rent Free Period for New Leases	3 months	As prevalent in the micro-market for Grade A properties, the rent free period for new leases is three months.
Total No. of Car Parking Spaces	4,590 Nos	As per the information provided by the Client
No. of Car Parking Spaces Leased	487 Nos	As per the information provided by the Client
Construction Related Assumptions		
Approx. construction Cost to be Incurred	INR 451 Mn	As per the information provided by the Client
Estimated Completion Date for incurring expenses	June 2025	As per the information provided by the Client

Parameters	Assumptions / Inputs	Remarks / Basis
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e., 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent – Office	INR 59 per sq. ft per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 55 – 65 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 70 – 80 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	Not Applicable	
Market Rent - Car Parking Space	INR 1,500 per CPS per month	The Grade A offices offers car parking rates in the range of INR 1,000 – 2,000 per slot per month. Based on the market benchmarking of recent leased rates within the micro market, the achievable car park rate for the Project Site is derived.
Market / Marginal Rent - Food Court	INR 135 per sq. ft. per month	The lease transactions of food court in Grade A, IT park in the said micro market are recorded in the range of INR 130 – 140 per sq. ft per month for last 5 years. The asking instances are observed in the range of INR 140 – 150 per sq. ft per month.
Market / Marginal Rent - Kiosk	INR 250 per sq. ft. per month	The lease transactions of kiosk in Grade A IT park in the said micro market are recorded in the range of INR 240 – 260 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 250 – 270 per sq. ft. per month.
Market / Marginal Rent - Terrace	Not Applicable	

Parameters	Assumptions / Inputs	Remarks / Basis
Other Income	1% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	6% for FY25, FY26 and FY27 5.0% per annum FY28 onwards	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5-6% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggests that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 11.77 per sq ft per month	The CAM rate in Grade-A Commercial Development is observed to be in the range of INR 10 – 15 per sq. ft. per month. The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 9.2 per sq ft per month	As shared by client and as prevalent in the market
Property Tax	INR 1.60 per sq ft per month	As shared by client and as prevalent in the market
Insurance	INR 0.37 per sq ft per month	As shared by client and as prevalent in the market
Cost Escalation	3.0% per Annum	As prevalent in the market
CAM Escalation	5.0% per Annum	As prevalent in the market

Parameters	Assumptions / Inputs	Remarks / Basis
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the Net Cash Flow of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

Table 7.3: Key Assumptions Used in the Estimate of Under Construction / Future Developments

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-2033	As per workings
Asset Details		
Total Leasable Area	845,908 sq ft (Building 15 – 800,000 sq. ft High Street Retail – 45,908 sq. ft)	As per the information provided by the Client
Leased Area	0 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	0 sq. ft / 100%	As per the information provided by the Client
Vacancy Allowance	2.0%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	845,908 sq ft (Building 15 – 800,000 sq. ft High Street Retail – 45,908 sq. ft)	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market for Grade A properties, the rent free

Parameters	Assumptions / Inputs	Remarks / Basis
		period for existing lease rollovers is two months
Rent Free Period for New Leases	3 months	As prevalent in the micro-market for Grade A properties, the rent free period for new leases is three months
Construction Related Assumptions		
Approx. construction Cost to be Incurred	Building 15 – INR 4,691 Mn High Street Retail – INR 417 Mn	As per the information provided by the Client
Estimated Completion Date	Building 15 – Q3 FY27 High Street Retail – Q1 FY24	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases i.e., 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent – Office and Retail	Building 15 – INR 59 per sq. ft per month High Street Retail – INR 63 per sq. ft per month	<p>The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 55 – 65 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 70 – 80 per sq. ft. per month. Please refer table 6.4 and 6.5.</p> <p>The lease transactions in retail space in the said micro market are recorded in the range of INR 60 – 70 per sq. ft per month for last 5 years. The asking instances are observed in the range of INR 70 – 80 per sq. ft. per month. Please refer table 6.4 and 6.5.</p> <p>Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.</p>
Market / Marginal Rent – Amenities	Not Applicable	
Market Rent – Car Parking Space	Not Applicable	
Market / Marginal Rent – Food Court	Not Applicable	
Market / Marginal Rent – Kiosk	Not Applicable	

Parameters	Assumptions / Inputs	Remarks / Basis
Market / Marginal Rent – Terrace	Not Applicable	
Other Income	1% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	5.0% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 11.77 per sq ft per month	The CAM rate in Grade-A Commercial Development is observed to be in the range of INR 10 – 15 per sq. ft. per month. The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage – New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage – Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 9.2 per sq ft per month	As shared by the Client and as prevalent in the market
Property Tax	INR 1.60 per sq ft per month	As shared by client and as prevalent in the market
Insurance	INR 0.37 per sq ft per month	As shared by client and as prevalent in the market
Cost Escalation	3.0% per Annum	As prevalent in the market

Parameters	Assumptions / Inputs	Remarks / Basis
CAM Escalation	5.0% per Annum	As prevalent in the market
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 13.00%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the Net Cash Flow of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.2 VALUATION ASSUMPTIONS FOR POWER DISTRIBUTION SERVICES

7.2.1 ADOPTED METHODOLOGY

Referring to the commission's latest order for the operational facility, the cash flows from the power distribution services are projected in the following manner:

- Amount of approved Gross Fixed Assets ("GFA") is considered
- Further, Net Fixed Asset (NFA) which is GFA reduced by accumulated depreciation allowed as on date is computed.
- To compute the Net Cashflows, mainly return on equity, interest on notational debt, recovery of depreciation, interest on working capital have been added.
- Licensee is allowed to charge 14% return on equity which is 30% of GFA. In case of no actual loan, the commission allows a return on normative loan equal to 70% of GFA based on MYT regulations 2019. SLM (Straight Line Method) is considered for depreciation, as per the average rate approved by the commission. Depreciation is considered to the extent of 90% of the GFA.
- Approved power procurement, operational and maintenance expenses are allowed completely pass through.

7.2.2 KEY ASSUMPTIONS AND INPUTS

Following are the key details as per the Commission order dated 31 March 2023:

Table 7.4 Key Assumptions Used for Power Distribution Services

Particulars	Unit	Figure
Gross Fixed Assets	INR Mn	496
Notional Equity (30% of GFA)	INR Mn	149
Notional Debt as on March 2023 (70% of GFA)	INR Mn	347
Return on Equity	%	14%
Depreciation Rate	% Per annum	5.3%
License End Date	Date	03 November 2032

7.2.3 KEY PROJECTIONS FOR CASH FLOWS

Following are the key projections, as provided by the Client

Table 7.5 Key Projections for Power Distribution Services

Particulars	Unit	Q1 FY 2023	Q2 FY 2023	Q3 FY 2023	Q4 FY 2023
Number of units sold	Mn units	14.8	13.9	14.5	13.6
Revenue from Sales	INR Mn	132	124	129	121
FAC Fund	INR Mn	18	17	17	16
Power purchase expense	INR Mn	109	102	106	100
Project support fees	INR Mn	13	12	12	12
Other R&M expenses	INR Mn	4	4	4	4
Other expenses	INR Mn	23	23	23	23

For the purpose of discounting the future cash flows Weighted Average Cost of Capital (WACC) of 10.5% has been utilized.

Following are the key projections for the purpose of projecting the future cashflows and further discounting the same to arrive at the market value for the Power Distribution Services.

Table 7.6 Key Assumptions for Operating Parameters

Assumption	UNIT	DETAILS
Power Purchase Cost (Increase % p.a. post)	% per annum	5.0%
O&M (Increase % p.a.)	% per annum	7.0%
Depreciation (SLM) -MERC	%	5.3%
Depreciation (SLM) -Companies Act	%	3.2%
Transition Loss	%	0.7%
Prov for Contingency (% of GB)	%	0.0%

7.3 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is estimated to be as follows:

Table 7.7: Market Value of the Project

Component	Market Value as on	In Figures (INR Mn)	In Words
Total Market Value (Completed / Operational, including power distribution business of MBPPL)	31 st March 2023	43,446.18	INR Forty Three Billion Four Hundred Forty-Six Million One Hundred Eighty Thousand Only.
Total Market Value (Under construction buildings and land parcels for future development)	31 st March 2023	1,766.97	INR One Billion Seven Hundred Sixty Six Million Nine Hundred Seventy Thousand Only.
TOTAL VALUE		45,213.14	INR Forty Five Billion Two Hundred Thirteen Million One Hundred Forty Thousand Only.

Note: The above-mentioned value includes proportionate undivided ownership in the Amenities and Infrastructure, Utility Areas and Internal Roads and total open spaces of the Entire Campus

¹ The completed component value includes value of power distribution business

² The under construction component value includes value of land parcels under future development (which may be considered for sale) as shown in table 7.7

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project Mindspace Airoli East comprising total leasable area of 5,567,625 sq. ft along with land for future development located in Navi Mumbai, Maharashtra, India and power distribution business is estimated to be **INR 45,213.14 Mn (INR Forty Five Billion Two Hundred Thirteen Million One Hundred Forty Thousand Only).**

Table 7.8: Market Value of the Land Component

Component	Market Value as on	In Figures (INR Mn)	In Words
Land for Future Development	31 st March 2023	227.7	INR Two Hundred Twenty Seven Million Seven Hundred Thousand Only

Table 7.9: Ready Reckoner Rate

Component	Ready Reckoner Rate (INR per sq. m)
Commercial (Built-Up Area)	62,400
Land Area (Open Plot)	20,750

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation.
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

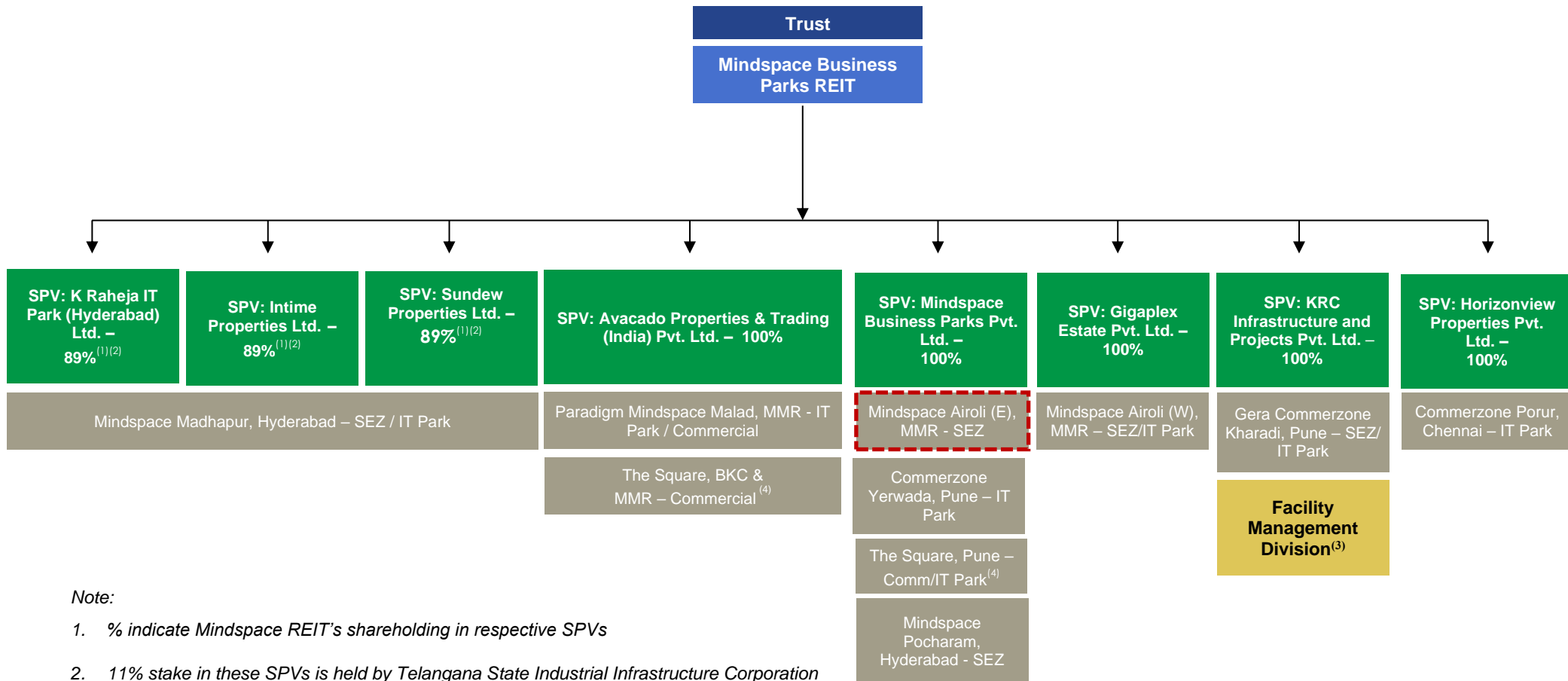
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

Ownership Structure of the Project

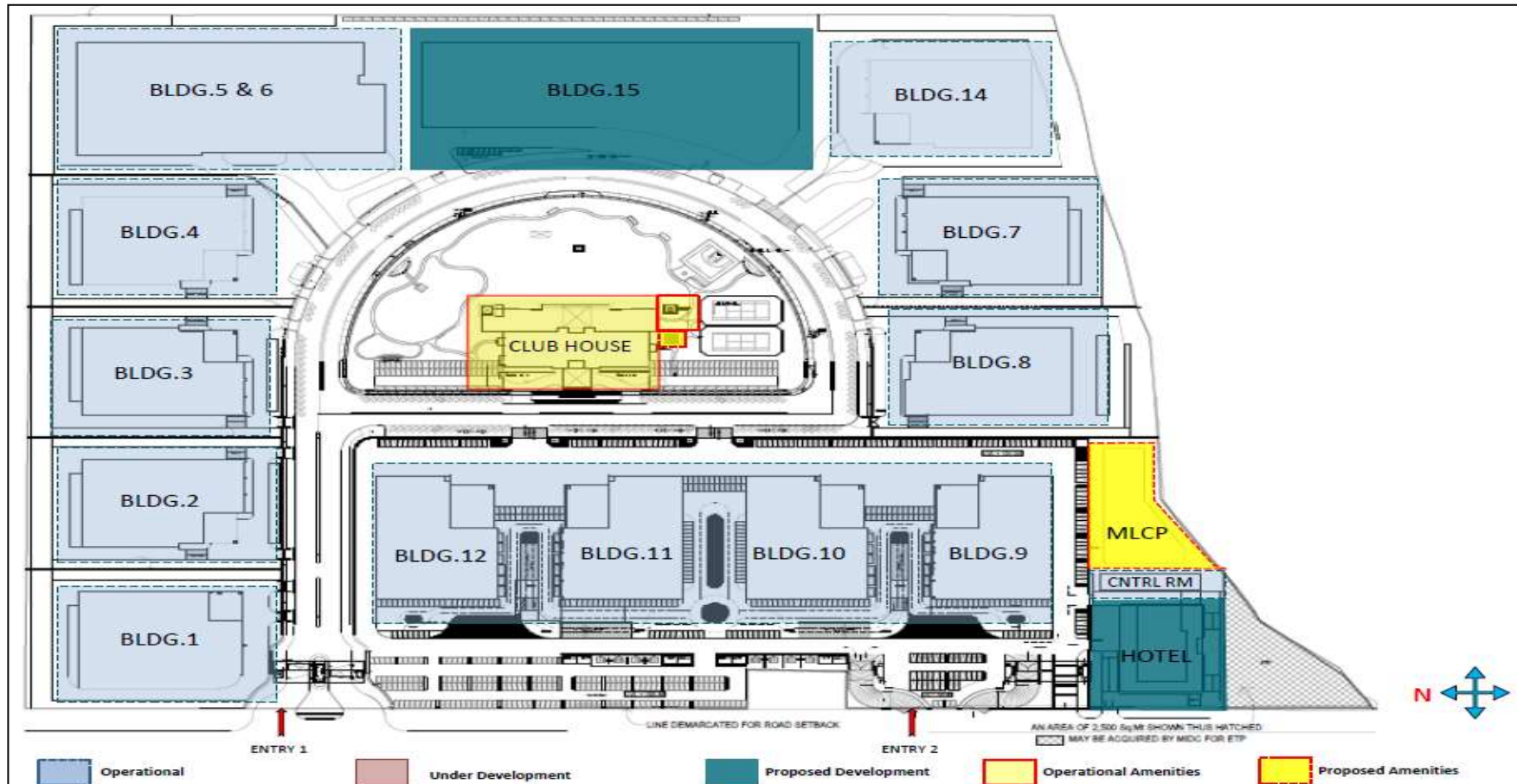


Note:

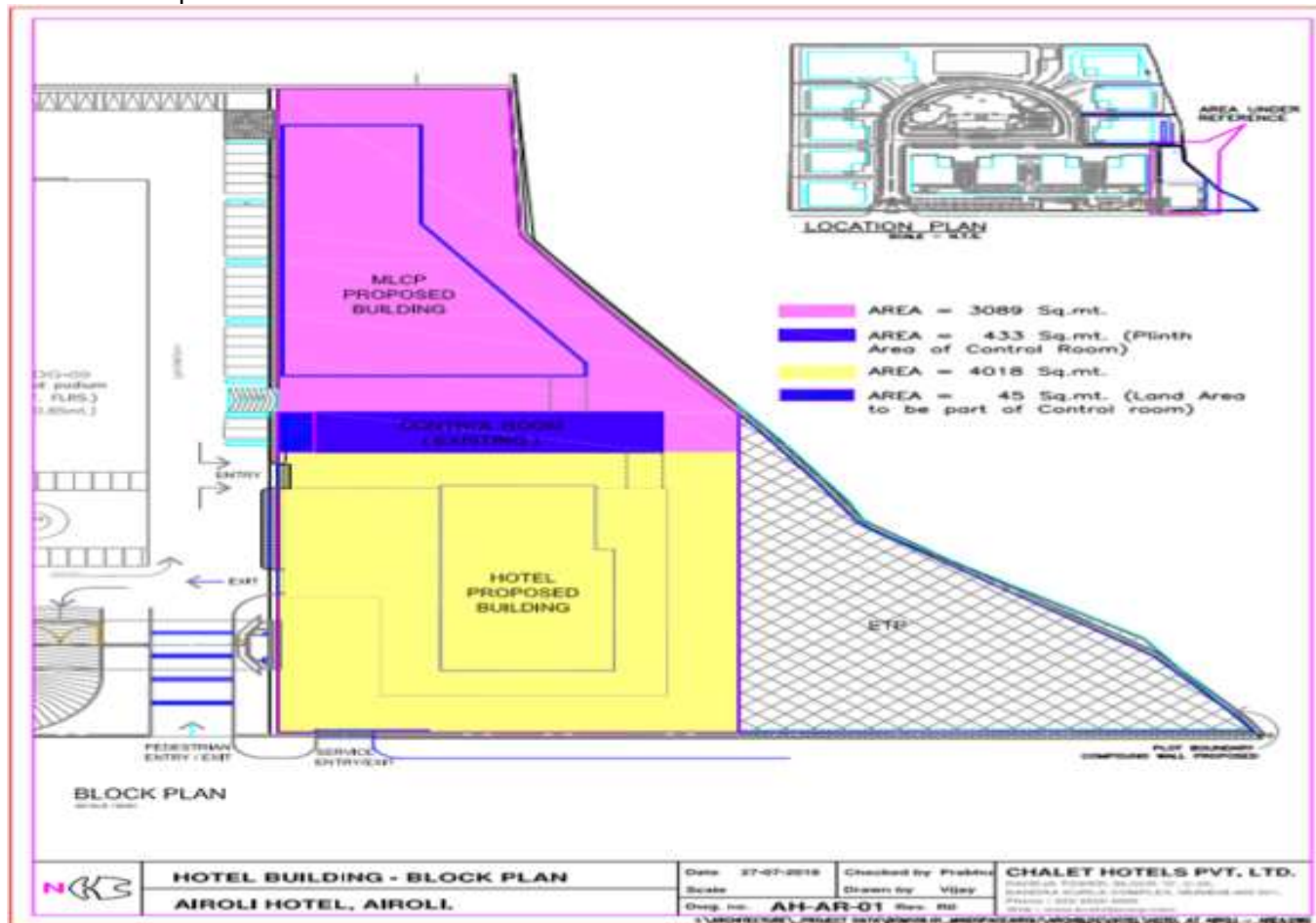
1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2 Layout Plan of the Project

Completed and Future Development Buildings:



Future Development Land:



Annexure - 3

Statement of Key Assets within the Project

Complex	Name							
Building	No. / Name	B1	B2	B3	B4	B5 & B6	B7	B8
Floor	Nos	G+3P+8	G+3P+8	G+3P+8	G+3P+8	G+2P+8		G+7
Warm Shell / Bare shell		Warm shell	Warm shell	Warm shell	Warm shell	Warm shell	Bare shell	Warm shell
Air Cooled Chiller	TR	250	300	250	350	2x 350	NA	322
Water Cooled Chiller	TR	1 x 275, 2 x 325	2 x 250, x 300	2 x 250, x 300	3 x 300	3 x 600	NA	2 x 280
No of Elevators /Make	No/ Make	7- Thyssenkrupp	7-Thyssenkrupp	7-Thyssenkrupp	7-Thyssenkrupp	7- Thyssenkrupp, 7 Otis		7-Thyssenkrupp
No of DG / Capacity	No. / KVA	4 X 1010	4 X 1010	2 X 1010	4 X 1010	4 X 2000		2 X 1010, 2 x 750
No of Transformers / Capacity	No./ KVA	2 x 2000	2 x 2000	2 x 2000	2 x 2000	4 x 2000	NA	2 x 1500
Booster Pump	KW / Make	2 x 11, Kirlsokar Brothers	11, Kirlsokar Brothers	2 x 12, Kirlsokar Brothers	11, Kirlsokar Brothers	2 x 11, Kirlsokar Brothers		11, Kirlsokar Brothers
Jockey Pump	KW / Make	2 x 5.5, Kirlsokar Brothers	2 x 180 LPM , Kirlsokar Brothers	2 x 180 LPM , Kirlsokar Brothers	2 x 180 LPM , Kirlsokar Brothers	2 x 180 LPM , Kirlsokar Brothers		2 x 1.1, Kirlsokar Brothers
Fire Diesel Pump	KW / Make	167, Kirlsokar Brothers	167, Kirlsokar Brothers	167, Kirlsokar Brothers	167, Kirlsokar Brothers	167, Kirlsokar Brothers		167, Kirlsokar Brothers
Hydrant Pump	KW / Make	125 Kirlsokar brothers	125 Kirlsokar brothers	110 , Kirlsokar brothers	125 Kirlsokar brothers	125 Kirlsokar brothers		110 , Kirlsokar brothers
Sprinkle Pump	KW / Make	125 Kirlsokar brothers	104 Kirlsokar brothers	110 , Crompton Greaves	125 Crompton Greaves	125 Crompton Greaves		110 , Crompton Greaves
STP Rating	KLD	150	160	220	320	750		160

Complex	Name						
Building	No. / Name	B9	B10	B11	B12	B14	Club House
Floor	Nos	G+1P+8	G+1P+8	G+1P+8	G+1P+8	G+1P+8	G+1
Warm Shell / Bare shell		Warm shell	Warm shell	Warm shell	Warm shell	Warm shell	Warm shell
Air Cooled Chiller	TR	350	350	305	350	300	NA
Water Cooled Chiller	TR	2 x 450	2 x 450	3 x 316	2 x 560	3 x 300	NA
No of Elevators /Make	No/ Make	7- Thyssenkrupp	7-Thyssenkrupp	7-Thyssenkrupp	7-Thyssenkrupp	7- Thyssenkrupp	NA
No of DG / Capacity	No. / KVA	4 X 1010	4 X 1010	4 X 1010	4 X 1010	3 X 1010	NA
No of Transformers / Capacity	No./ KVA	2 x 2000	2 x 2000	2 x 2000	2 x 2000	2 x 2000	NA
Booster Pump	KW / Make	12, Kirlsokar Brothers	12, Kirlsokar Brothers	12, Kirlsokar Brothers	12, Kirlsokar Brothers	12, Kirlsokar Brothers	12, Kirlsokar Brothers
Jockey Pump	KW / Make	2 x 5.5, Kirlsokar Brothers	2 x 5.5, Kirlsokar Brothers	2 x 5.5, Kirlsokar Brothers	2 x 15, Kirlsokar Brothers	2 x 5.5, Kirlsokar Brothers	9.3, Kirlsokar Brothers
Fire Diesel Pump	KW / Make	167, Kirlsokar Brothers	167, Kirlsokar Brothers	167, Kirlsokar Brothers	167, Kirlsokar Brothers	167, Kirlsokar Brothers	
Hydrant Pump	KW / Make	125 Kirlsokar brothers	125 Kirlsokar brothers	125 Kirlsokar brothers	125 Kirlsokar brothers	110 , Kirlsokar brothers	37, Kirlsokar brothers
Sprinkle Pump	KW / Make	125 Kirlsokar brothers	125 Kirlsokar brothers	125 Kirlsokar brothers	125 Kirlsokar brothers	110 , Kirlsokar brothers	37, Kirlsokar brothers
STP Rating	KLD	150	150	150	150	220	Nil

Annexure - 4

Approvals and NOCs Received for the Project

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

Approvals Received

- a) Building Approvals for all existing buildings and amendments thereof
- b) Full Occupancy Certificates received for all the existing/operational buildings
- c) Approved master plan
- d) Environmental clearance for development and future development Building 15
- e) One-time Fire NOC and Form B for completed buildings
- f) Height clearance NOC from AAI
- g) Tree cutting NOCs
- h) SEZ Notification
- i) MIDC Clearances
- j) Consent to Operate for Building 1, Building 2, Building 3, Building 4, Building 5, Building 6, Building 7, Building 8, Building 9, Building 10, Building 11, Building 12, Building 14
- k) Approved Master plan for Retail + Kiosk
- l) Partial denotification of the common building
- m) Consent to establish

Approvals Pending

None

Annexure - 5

Ready Reckoner Rate Applicable for the Project

नोंदणी व मुद्रांक विभाग, महाराष्ट्र शासन
वाजारमूल्य दर पत्रक

Home
Valuation Rules
User Manual
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Year: 2023/2024

Selected District: ठाणे

Select Taluka: ठाणे

Select Village: गावाचे नाव : ऐरोली

Search By: ☐ Survey No ☒ Location

Annual Statement of Rates

Language: English

Select	उपविभाग	खुली जमीन	निवासी सदनिका	ऑफीस	दुकाने	औद्योगिक	एकक (Rs./)
SurveyNo	1/54/2-1(विधे,चिंचवली,ऐरोली भाग)महाराष्ट्र औद्योगिक विकास महामंडळाचे अखत्यारीतील रहिवासी वापर भूखंड	33800	0	0	0	0	चौ.मीटर
SurveyNo	1/54/3-1(विधे,चिंचवली,ऐरोली भाग)महाराष्ट्र औद्योगिक विकास महामंडळाचे अखत्यारीतील व्यापारी वापर भूखंड	64900	0	0	0	0	चौ.मीटर
SurveyNo	1/54-ऐरोली नोड दिवे (उत्तर भाग)	20800	53400	62400	75600	62400	चौ.मीटर
SurveyNo	1/55-ऐरोली नोड रवाळे (पश्चिम भाग)	10600	45000	51800	56200	51800	चौ.मीटर
SurveyNo	1/56-ऐरोली नोड गोंठवली (उत्तर भाग)	13600	41000	49600	60400	49600	चौ.मीटर

MIDC Land Rates

Regional Office: Thane 1

Industrial Area: Airoli Knowledge Park

Search

Airoli Knowledge Park

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[City Information](#)
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[Location Details](#)
[Plots/Sheds Available](#)

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Objective :

Industry Category : Growth Center

Land Rates

Industrial Plots per sq. mtr	: 20750
Commercial Plots per sq. mtr	: 62250
Residential Plots per sq. mtr	: NA

NOTE :

- MIDC reserves the right to revise the rates without prior notice.
- If the plot is facing State Highway/National Highway or the service road parallel to highways, then 15% additional premium will have to be paid.
- If the plot is having the more frontage than the standard size, then additional frontage charges will have to be paid for the excess frontage per running meter decided by the corporation time to time.
- If the plot is situated at the junction as stated at
 - 1) above or having the excess frontage as stated at
 - 2) above, in that case the additional premium will have to be recovered which will be on higher side.

Annexure - 6
Cash Flow Profile

Table 7.10 Discounted Cash Flow of Completed Project – Office Building (B1, B2, B3, B4, B5 & 6, B7, B8, B9, B10, B11, B12, B14 and Club House) (INR million)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		200.00	230.50	21.00	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		2,934.45	3,294.43	3,516.25	3,641.46	3,943.70	4,100.19	4,141.85	4,383.23	4,568.81	4,782.10	5,302.87
B	Car Parking Income		8.80	8.76	8.78	8.78	8.79	8.26	8.10	9.17	12.06	13.25	13.85
C	Fit-out rentals / tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		2,943.25	3,303.19	3,525.02	3,650.24	3,952.49	4,108.45	4,149.95	4,392.40	4,580.86	4,795.35	5,316.72
E	Maintenance services income		633.37	709.71	756.84	794.68	834.42	876.14	919.95	965.94	1,014.24	1,064.95	1,118.20
F	Other Operating Income		29.34	32.94	35.16	36.41	39.44	41.00	41.42	43.83	45.69	47.82	53.03
G	Revenue from Operations		3,605.96	4,045.85	4,317.03	4,481.34	4,826.35	5,025.59	5,111.31	5,402.17	5,640.79	5,908.12	6,487.95
	Direct Operating Expenses												
H	Maintenance services Expenses		548.78	576.22	605.03	635.28	667.05	700.40	735.42	772.19	810.80	851.34	893.90
I	Property Tax		93.47	96.28	99.17	102.14	105.21	108.36	111.61	114.96	118.41	121.96	125.62
J	Insurance Premium		21.59	22.24	22.91	23.60	24.30	25.03	25.78	26.56	27.35	28.17	29.02
K	Net Operating Income (NOI)		2,942.12	3,351.11	3,589.93	3,720.32	4,029.79	4,191.80	4,238.50	4,488.47	4,684.23	4,906.65	5,439.41
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	67,312.65	-
	Indirect Operating Expenses												
L	Brokerage Fees		51.52	64.88	37.20	46.11	30.82	21.39	53.13	18.04	45.58	76.16	-
M	Property Management Fee		104.04	116.76	124.61	129.03	139.72	145.23	146.70	155.27	161.93	169.51	187.94
N	Other operational expenses		58.87	66.06	70.50	73.00	79.05	82.17	83.00	87.85	91.62	95.91	106.33
O	Net Cashflows		2,527.69	2,872.91	3,336.62	3,472.17	3,780.20	3,943.01	3,955.67	4,227.31	4,385.11	71,877.72	5,145.13

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

Table 7.11 Discounted Cash Flow of Future Development – Building B15 (INR million)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		-	1,372.20	1,686.40	1,356.70	275.70	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		-	-	-	-	177.08	630.02	749.72	783.45	818.71	855.55	894.05
B	Facility Rentals		-	-	-	-	177.08	630.02	749.72	783.45	818.71	855.55	894.05
C	Maintenance services income		-	-	-	-	36.07	116.45	155.87	163.66	171.84	180.43	189.46
D	Other Operating Income		-	-	-	-	1.77	6.30	7.50	7.83	8.19	8.56	8.94
E	Revenue from Operations		-	-	-	-	214.92	752.76	913.08	954.95	998.74	1,044.54	1,092.45
F	Direct Operating Expenses												
G	Maintenance services Expenses		-	-	-	13.45	63.57	96.42	124.60	130.83	137.37	144.24	151.45
	Property Tax		-	-	-	4.33	17.82	18.36	18.91	19.48	20.06	20.66	21.28
H	Insurance Premium		-	-	-	1.00	4.12	4.24	4.37	4.50	4.63	4.77	4.92
I	Net Operating Income (NOI)		-	-	-	(18.78)	129.40	633.75	765.20	800.14	836.67	874.86	914.79
J	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	11,320.56	-
K	Indirect Operating Expenses												
	Brokerage Fees		-	-	-	-	78.70	41.32	-	-	-	-	-
	Property Management Fee		-	-	-	-	6.26	22.27	26.50	27.70	28.94	30.24	31.60
L	Other operational expenses		-	-	-	-	3.54	12.60	14.99	15.67	16.37	17.11	17.88
M	Net Cashflows	-	-	(1,372.20)	(1,686.40)	(1,375.48)	(234.80)	557.56	723.70	756.77	791.35	12,148.06	865.31

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

Table 7.12 Discounted Cash Flow of Under Construction – High Street Retail (INR million)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		364.00	53.00	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		1.45	20.81	36.76	38.41	40.14	41.95	43.84	45.81	47.87	47.48	53.39
B	Facility Rentals		1.45	20.81	36.76	38.41	40.14	41.95	43.84	45.81	47.87	47.48	53.39
C	Maintenance services income		0.43	3.77	6.90	7.73	8.11	8.52	8.94	9.39	9.86	10.35	10.87
D	Other Operating Income		0.01	0.21	0.37	0.38	0.40	0.42	0.44	0.46	0.48	0.47	0.53
E	Revenue from Operations		1.89	24.79	44.02	46.52	48.66	50.89	53.22	55.66	58.21	58.30	64.79
F	Direct Operating Expenses												
G	Maintenance services Expenses		2.00	3.85	5.51	6.18	6.49	6.81	7.15	7.51	7.88	8.28	8.69
	Property Tax		0.68	0.94	0.96	0.99	1.02	1.05	1.09	1.12	1.15	1.19	1.22
H	Insurance Premium		0.16	0.22	0.22	0.23	0.24	0.24	0.25	0.26	0.27	0.27	0.28
I	Net Operating Income (NOI)		(0.95)	19.79	37.32	39.12	40.91	42.78	44.73	46.77	48.91	48.57	54.60
J	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	675.63	-
K	Indirect Operating Expenses												
	Brokerage Fees		1.93	4.09	-	-	-	-	-	-	-	1.54	-
	Property Management Fee		0.05	0.74	1.30	1.36	1.42	1.48	1.55	1.62	1.69	1.68	1.89
L	Other operational expenses		0.03	0.42	0.74	0.77	0.80	0.84	0.88	0.92	0.96	0.95	1.07
M	Net Cashflows	-	(366.96)	(38.45)	35.29	37.00	38.69	40.46	42.31	44.24	46.26	720.03	51.64

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

Table 7.13 Comparable Sales / Quoted Instances Method (Comparative Matrix for Value Estimate for ~1.76 acres of land earmarked for future development)

Attribute Ranking	Project Site	Comparable 1 (A1)	P/D	Comparable 2 (A2)	P/D
Location and Proximity to Development & Neighbourhood Profile	Located along Thane-Belapur Road, Opp. Airoli Railway Station, Mindspace Airoli East, Navi Mumbai, Maharashtra 400708. Neighbourhood majorly comprises of Industrial and Commercial developments. Located in front of Airoli Railway Station	Located off Thane-Belapur Road, Digha Naka, Navi Mumbai, Maharashtra 400708. Neighbourhood majorly comprises of Industrial and Commercial developments.	2.5%	Located off Central Road N, Rabale, Navi Mumbai, Maharashtra 400701. Neighbourhood majorly comprises of Industrial and Commercial developments.	5.0%
Size of the Land Parcel (Acres)	1.76	6.50	2.5%	3.25	0.0%
Land Use and Zoning	Leasehold (MIDC Land)	Leasehold (MIDC Land)	0.0%	Leasehold (MIDC Land)	0.0%
Availability of Similar Land Parcels	Low Availability in the micro market.	Low Availability in the micro market.	0.0%	Low Availability in the micro market.	0.0%
Site Development	Vacant Plot of land	Vacant Plot of land	0.0%	Vacant Plot of land	0.0%
Visibility and Frontage along the access road	Average Visibility & Frontage along access road	Good Visibility & Frontage along access road	-5.0%	Good Visibility & Frontage along access road	-5.0%
Accessibility to the Property	Access from Internal Mindspace road	Good Access from Digha MIDC road which directly connects to Thane-Belapur Road.	-5.0%	Access from Internal MIDC Road	0.0%
General Attributes - Contiguity, Topography, Shape, HT Line, Open Drain, etc.	Property has flat terrain, contiguous in nature and regular in shape.	Property has flat terrain, contiguous in nature and regular in shape.	0.0%	Property has flat terrain, contiguous in nature and regular in shape.	0.0%
Price Appreciation / Margin for Negotiation		Transacted (Q1, 2021)	2.5%	Transacted (Q3, 2021)	2.5%
Transacted / Asking Value (INR per acre of Land Area)		210,000,000		185,000,000	
Total Adjustment			-2.5%		2.5%
Adjusted Price per Unit (INR per acre)		204,750,000		189,625,000	

P - Premium, D - Discount

Table 7.14 Summary Valuation Analysis (~1.76 acres of land earmarked for future development)

Particular	Values
Total Area of the Land Parcel (acre)	1.76
Unit Value of Land Parcel (INR million per acre)	197.2
Discount for Limited Usage	50%
Unit Value of Land Parcel (INR million per acre)	98.60
Total Value of the Land Parcel (INR million)	173.5

Table 7.15 Net Land Value after adjusting for FSI (~1.76 acres of land earmarked for future development)

Particular	Values
Total Area of the Land Parcel (acre)	173.5
Unit Value of Land Parcel (INR million per acre)	8,696
Discount for Limited Usage	20,750
Unit Value of Land Parcel (INR million per acre)	54.1
Total Value of the Land Parcel (INR million)	227.7

Table 7.16 Cash Flow Projections of Power Distribution Services

		1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32
		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	3-Nov-32
Particulars	Unit										
Revenue	INR Million	573.34	713.30	676.62	732.43	836.10	943.29	996.92	1045.33	1096.49	679.60
Expense	INR Million	483.00	512.48	593.39	687.12	795.67	907.56	963.98	1014.93	1068.62	667.73
Planned Capex	INR Million	28.00	0.20								
Net Cashflow	INR Million	62.34	200.62	83.23	45.31	40.42	35.73	32.94	30.40	27.87	11.86

Annexure - 7

Material Litigations

Title litigation and irregularities:

1. A complaint was filed by Maharashtra Pollution Control Board (MPCB) before the Judicial Magistrate, First Class, Belapur- District - Thane (Criminal Case No. 995 of 2022) under Sections 15 and 16 of the Environment (Protection) Act, 1986 read with the Environment Impact Assessment Notification, 2006 against MBPPL for carrying out expansion activity at Mindspace Airoli East project without obtaining prior environmental clearance. The matter is currently pending.
2. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 ("Income Tax Act") against MBPPL ("Parties"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act directing them to prepare and furnish true and correct returns of total income for assessment years ("AY") from 2008-2009, 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department issued notices under Section 142(1)/143(2) of the Income Tax Act for assessment years 2008-2009, 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Parties from time to time.
3. MBPPL filed appeals before the CIT(A) against the order for AY 2012-13 to AY 2017-18 and against order for AY 2018-19. MBPPL made an application under the VsV for AY 2012-13, AY 2013-14 & AY 2014-15. MBPPL received final order for AY 2012-13, accepting the VsV Application. The appeal for AY 2015-16 and 2016-17 were disposed by the CIT(A) in favour of MBPPL with direction to the assessing officer. The appeal for AY 2012-13 was dismissed by the CIT(A) in view of VsV order for the said year. VsV application for AY 2013-14 was rejected and the final order under VsV for AY 2014-15 is currently pending. The appeal for AY 2013-14 was disposed by the CIT(A) against MBPPL and an appeal has been filed before the ITAT against the same. Appeal filed before ITAT for AY 2013-14 has been withdrawn by MBPPL. The Income Tax Department filed an appeal for AY 2015-16 and AY 2016-17 before ITAT against the order of the CIT(A) and the same were disposed by the ITAT in favour of MBPPL. MBPPL received a notice under section 148 for assessment year 2014-15. MBPPL filed return of income under protest in response to the said notice for assessment year 2014-15 and also sought reasons for reopening the assessment. MBPPL received reasons for reopening and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order rejecting the objections filed. MBPPL filed a writ petition with the Bombay High Court against the notice under section 148 and rejection order. Bombay High Court has passed the order quashing the notice under section 148. Subsequently, Supreme Court has upheld the validity of the notice. MBPPL received notice u/s 148A(b) and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order under section 148A(d) rejecting the objections filed and served notice under section 148 of the Income Tax Act. The return of income was filed under protest in response to the said notice. MBPPL has filed Writ Petition before Bombay High Court against the notice u/s 148 and order u/s 148A(d).

Regulatory actions:

1. Maharashtra State Electricity Distribution Company Limited ("MSEDCL") filed a petition dated October 16, 2018 against Maharashtra State Load Despatch Centre, wherein electricity distribution companies in Maharashtra including, MBPPL and Gigaplex (which hold electricity distribution licenses) and others, were impleaded as parties, before Maharashtra Electricity

Regulatory Commission ("MERC") seeking payment of alleged past dues, removal of anomalies and directions regarding over-drawal of electricity. Through its final common order dated September 26, 2019, MERC partly allowed MSEDCL's prayer against which MSEDCL and one of the electricity distributions companies have filed separate appeals before the Appellate Tribunal for Electricity ("APTEL"). Pursuant to an order dated December 18, 2019, the APTEL instructed that notices be issued to respondents in the appeal, including Gigaplex and MBPPL. By an order dated September 15, 2020, interim applications for condonation of delay in filing the appeals were allowed. By an order dated September 14, 2022, the APTEL directed that the matter is already at the stage of hearing and that the appeals be included in the "List of Finals of Court - I" to be taken up from the list, in their turn. The appeals are pending before the APTEL.

2. The Joint District Registrar (Class I) and Collector of Stamps, Thane City, Thane ("Lower Authority") imposed a penalty of ₹ 87.65 million on Gigaplex under Section 39 of the Maharashtra Stamp Act, 1958 ("MSA") vide its letter dated August 12, 2022, and December 8, 2022. Gigaplex had sought partial denotification from IT/ITES SEZ into regular IT/ITES Park in relation to plot no. IT-5, Airoli Knowledge Park, TTC Industrial Estate, Village Airoli and Digha, District Thane in 2016. The deficit stamp duty on the transaction amounting to ₹ 39.8 million and registration fee of ₹ 0.02 million was submitted on December 9, 2016 but the penalty under Section 39 of the MSA from the date of execution of the document at the rate of 2% per month amounting to ₹ 87.65 million is still pending for payment. Being aggrieved by the letter dated December 8, 2022, Gigaplex has filed an Appeal Case No. 29/2023 under section 53(1A) of the Maharashtra Stamp Act before the Inspector General of Registration and Controller of Stamps, Maharashtra State, Pune ("IGR&CS") with a prayer to issue directions to the Lower Authority to grant a no dues certificate for this partial de-notification. By its order dated March 13, 2023, IGR&CS observed that while the Lower Authority had imposed penalty as per Section 39 of the MSA, it failed to follow the procedure given therein and therefore the letter dated December 8, 2022 needs to be set aside. The IGR&CS held that it has no jurisdiction to entertain the said Appeal being premature, and directed the Lower Authority to follow the process contemplated under Section 39 of the MSA at the earliest.
3. Pursuant to a notice dated April 2, 2022 issued by the Commissioner of Police to M/s Genext Hardware & Parks Pvt. Ltd. in connection with payments made to certain companies belonging to Mr. Jitendra Chandralal Navalani, Gigaplex Estate Pvt Ltd ("Gigaplex") was requested to furnish certain clarifications/details which were submitted. Jitendra Navalani filed a Writ Petition in the Hon'ble Bombay High Court wherein Gigaplex was also joined as a Respondent. By an order dated July 6, 2022, the Hon'ble High Court disposed off the said Writ Petition in view of the statement made by the public prosecutor that the preliminary inquiry had been closed. There was a separate Writ Petition filed by the Directorate of Enforcement against the State of Maharashtra. The Bombay High Court by its order dated November 10, 2022, disposed off the said Writ Petition as withdrawn in view of the affidavit filed by the State of Maharashtra. Subsequently, the Addl Commissioner of Police, Anti-Corruption Bureau issued similar notice dated December 5, 2022 addressed to Gigaplex seeking details/information. Accordingly, representatives of Gigaplex submitted the required details/information etc by letters dated December 12, 2022, December 14, 2022 and December 19, 2022. Thereafter there has been no further communication or requisition in the matter. As per publicly available information we understand that the ACB has closed the case by classifying it as C summary, where the criminal case was registered due to mistake of facts, or the offence complained about is of a civil nature.

Material civil / commercial litigation:

1. Kharghar Vikhroli Transmission Private Limited ("KVTPPL") has filed a petition before Maharashtra Electricity Regulatory Commission, Mumbai ("MERC") against Maharashtra State Electricity Transmission Company Limited ("MSETCL") and others (including MBPPL and Gigaplex as respondents) under the applicable provisions of the Electricity Act, 2003 read with the transmission service agreement dated August 14, 2019 ("TSA") entered between KVTPPL, MSETCL, MBPPL, Gigaplex and certain other entities including distribution companies seeking, inter-alia, compensation/relief for increased cost of the project during construction period due to the 'change in law' event being increase in acquisition price of shares of KVTPPL (including the purchase cost of Vikhroli land). The total additional cost of the project claimed by KVTPPL is ₹ 717.00 million along with carrying cost at the rate of 9.35% on compound interest basis. The

financial liability to MBPPL is 0.06% i.e. the percentage share computed based on allocated transmission capacity rights as mentioned in the TSA. By order dated August 2nd, 2022 MERC had partly allowing the petition. The prayer of KVTPL to change the Acquisition Price of Special Purpose Vehicle by Rs. 71.70 Crore as per the provisions of the Article 12 of the TSA is allowed without carrying cost. KVTPL is entitled to recover the impact of Change in Law after declaring the Date of Commissioning of the project in accordance with the provisions of the TSA without any carrying cost. KVTPL and MSEDCL have filed separate Appeals (Appeal No. 385 of 2022 and Appeal No. 393 of 2022 respectively) before the APTEL against the MERC Order dated August 2, 2022. These appeals are pending before the APTEL for admission.

2. Kharghar Vikhroli Transmission Private Limited ("KVTPL") has filed a petition before Maharashtra Electricity Regulatory Commission, Mumbai ("MERC") against Maharashtra State Electricity Transmission Company Limited ("MSETCL") and others (including Gigaplex and MBPPL as respondents) under the applicable provisions of the Electricity Act, 2003 read with the transmission service agreement dated August 14, 2019 ("TSA") entered between KVTPL, MSETCL, MBPPL, Gigaplex and certain other companies including distribution companies seeking, inter-alia, compensation/relief for increased cost of the project during construction period due to the 'change in law' event being increase in the acquisition price of shares of KVTPL (including the purchase cost of Vikhroli land). The total additional cost of the project claimed by KVTPL is ₹ 717.00 million along with 9.35% on compounded interest basis. The liability of Gigaplex is 0.05% i.e. the percentage share computed based on allocated transmission capacity rights as mentioned in the TSA. The MERC by its order dated August 2, 2022, partly allowed the petition granting KVTPL the additional cost of the project of ₹ 717.00 million without the carrying cost, in accordance with Article 12 of the TSA. KVTPL will be entitled to recover the impact of change in law after declaring the date of commissioning of the project in accordance with the provisions of the TSA without any carrying cost. KVTPL and MSEDCL have filed separate Appeals (Appeal No. 385 of 2022 and Appeal No. 393 of 2022 respectively) before the Appellate Tribunal for Electricity at New Delhi ("APTEL") against the MERC Order dated August 2, 2022. These appeals are pending before the APTEL for admission.
3. Gigaplex, KRC Infra and MBPPL ("KRC DISCOMs") had filed a petition dated December 16, 2021 before the Maharashtra Electricity Regulatory Commission, Mumbai ("MERC") under Section 86 (1) (f) of the Electricity Act, 2003 ("EA, 2003") seeking approval for additional power purchase cost incurred over the period from October 11, 2021 to October 31, 2021 on account of reasons beyond the control of the KRC DISCOMs. The MERC impleaded (i) M/s Kreate Energy India Pvt Ltd ("KEIPL"), (ii) Maharashtra State Load Despatch Centre; and (iii) Lloyds Metals and Energy Limited as Respondents in this matter. By an order dated November 8, 2022, the MERC partly allowed the petition, and directed KEIPL to pay ₹ 19.60 million to KRC DISCOMs within 15 days from the date of the order as compensation for increased power purchase expenses on account of illegal diversion of contracted power to third party. Further, the MERC directed the KRC DISCOMs to adjust such compensation amount in upcoming FAC computation as rebate in power purchase expenses. KEIPL filed an appeal (against the order in the Case No 1/MP of 2022 dated November 8, 2022 ("Impugned Order") before the Appellate Tribunal for Electricity at New Delhi ("APTEL") seeking stay on the Impugned Order dated November 8, 2022 (Appeal No. 428 of 2022). Hearing in the matter was held on 8th and 9th December 2022. By interim order dated December 22, 2022, APTEL granted stay of the Impugned Order under appeal, subject to fulfilment of the following conditions: (a) KEIPL shall, within three weeks from December 22, 2022, pay KRC DISCOMs ₹ 1.16 million; and (b) KEIPL shall in addition, within three weeks from December 22, 2022, furnish an unconditional bank guarantee from a Nationalised Bank in favour of the MERC, for an amount of ₹ 17.93 million and the bank guarantee, so furnished, shall be kept alive and in force during the pendency of the appeal and (c) the order further requires KEIPL to file an affidavit of compliance, of the aforesaid directions, with the Registry within four weeks from December 22, 2022. By an order dated January 17, 2023, the APTEL has recorded that a compliance affidavit had been filed by KEIPL in Appeal No. 428 of 2022, stating that the earlier order of the Tribunal, in IA No. 1951 of 2022 dated December 22, 2022 which required KEIPL to remit ₹ 1.16 million to the KRC DISCOMs and to furnish an unconditional bank guarantee in favour of MERC for a sum of ₹ 17.93 million has been complied with. The matter is pending before the APTEL.

4. Gigaplex, KRC Infra and MBPPL ("KRC DISCOMs") had filed a petition before the MERC under Section 86 (1) f of the EA, 2003 against KEIPL for adjudication of dispute between KRC DISCOMs and KEIPL. KRC DISCOMs had entered into a power purchase agreement dated May 27, 2021 (PPA) with KEIPL for supply of power up to 14 MW, for the period from July 2021 to June 2022. However, KEIPL did not supply power to the KRC DISCOMs during the period from April to June 2022. During this period KRC DISCOMs had to procure the power from the other available sources at market rates. This resulted into additional power purchase cost ₹ 101 million to be incurred by KRC DISCOMs on account of material breach of the PPA by KEIPL. Therefore, the KRC DISCOMs have filed this petition (Case No. 162 of 2022) before the MERC seeking compensation of the entire additional power purchase cost incurred by them for the period from April 2022 to June 2022 due to KEIPL's failure to supply power under PPA. The first hearing in this matter was held on November 11, 2022. As directed in the Order dated November 11, 2022, KEIPL has filed its reply and the KRC DISCOMs have filed their rejoinder to the reply of KEIPL. The matter is pending before the MERC.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Mindspace Airoli West, Mumbai Region

Maharashtra, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name	Mindspace Airoli West, Navi Mumbai, Maharashtra, India																														
Property Address	Special Economic Zone, Plot No. IT-5, Airoli Knowledge Park, TTC Industrial Area, Villages Airoli and Dighe, Thane 400710																														
Land Area	~ 50.0 Acres																														
Brief Description	<p>The property is located in Airoli West in the Thane Belapur micro market of MMR region along the Airoli Knowledge Park Road. It is located at a distance of about 2.0 km from Dighe Railway Station and 3.8 km from the Airoli Railway Station.</p> <p>Completed Buildings- Office Building (B1, B2, B3, B4, B5, B6, B9), Data Centre Building (B10) and Centre Court</p> <p>The property is developed as Grade A, IT SEZ and Non-SEZ Park with eight(8) office and data centre buildings (B1, B2, B3, B4, B5, B6, B9 & B10) of which out of five(5) of them are SEZ buildings whereas Building 1 (B1), Building 9 (B9) & Building 10 (B10) are non-SEZ buildings. It also includes one(1) centre court (which is owned by Mindspace REIT via its SPV) is considered for valuation collectively comprising of 4,897,067 sq. ft. of total leasable area.</p> <p>Future Development – Data Centre Building (B8)</p> <p>Future development comprises of one(1) Non-SEZ data center building (B8) (which is owned by Mindspace REIT via its SPV) is considered for valuation comprising of 315,110 sq. ft. leasable area. The future development portion is expected to be completed by Q4 FY25.</p> <p>The property also includes ~6.42 acres and ~1.96 acres of land earmarked for future development.</p> <p>The property is owned entirely by Gigaplex Estate Private Limited (“GEPL”) in which 100% interest is held by Mindspace Real Estate Investment Trust (REIT).</p> <p>The property has good frontage along the access road with one(1) main entrance and the rest of the properties are accessible via separate secured gate. The property is surrounded by commercial office spaces followed by residential and industrial developments in the vicinity.</p> <p>Gigaplex Estate Private Limited has also invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators/traders supplying to the grid and then distribute it to the end consumers within the property. It is not allowed to expand the power distribution outside the limits of the SEZ.</p>																														
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table><tr><th></th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>Building 1 - Office Building Completed</td><td>420,008</td></tr><tr><td>2.</td><td>Building 2 - Office Building Completed</td><td>715,307</td></tr><tr><td>3.</td><td>Building 3 - Office Building Completed</td><td>756,226</td></tr><tr><td>4.</td><td>Building 4 - Office Building Completed</td><td>834,747</td></tr><tr><td>5.</td><td>Building 5 - Office Building Completed</td><td>374,635</td></tr><tr><td>6.</td><td>Building 6 - Office Building Completed</td><td>391,777</td></tr><tr><td>7.</td><td>Building 8 - Data Centre Future Development</td><td>315,110</td></tr><tr><td>8.</td><td>Building 9 - Office Building Completed</td><td>1,088,460</td></tr><tr><td>9.</td><td>Building 10 - Data Centre Completed</td><td>315,110</td></tr></table>		Building Name	Leasable Area (sq. ft.)	1.	Building 1 - Office Building Completed	420,008	2.	Building 2 - Office Building Completed	715,307	3.	Building 3 - Office Building Completed	756,226	4.	Building 4 - Office Building Completed	834,747	5.	Building 5 - Office Building Completed	374,635	6.	Building 6 - Office Building Completed	391,777	7.	Building 8 - Data Centre Future Development	315,110	8.	Building 9 - Office Building Completed	1,088,460	9.	Building 10 - Data Centre Completed	315,110
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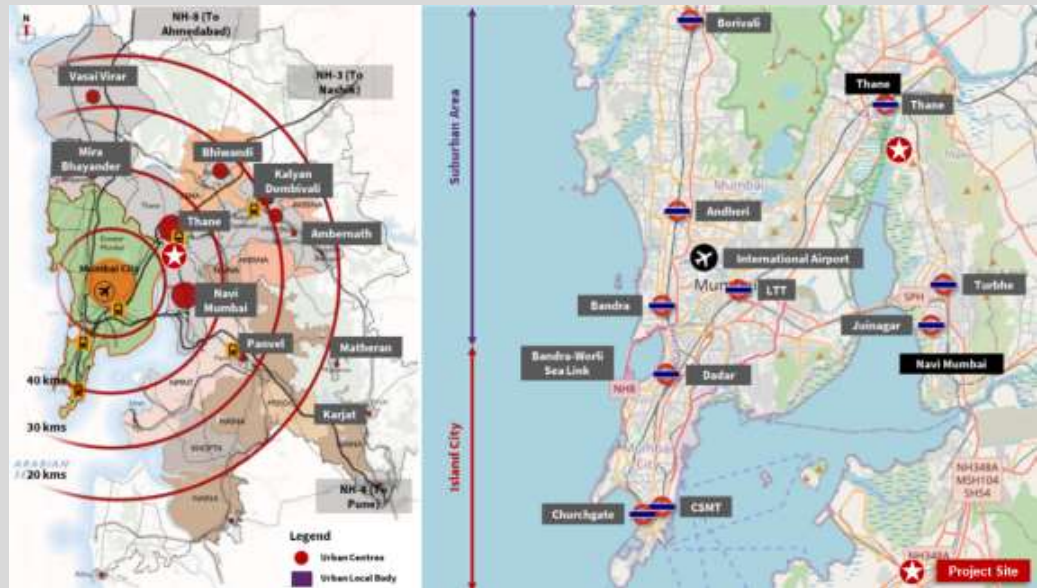
10.	Centre Court - Completed	796
	Total Leasable Area	5,212,177

Based on-site inspection, it was found that all the office blocks, centre court and one data centre (Building B10) are completed and fully operational. The construction of data centre building B8, intended for future development, is scheduled to be finished by Q4 FY25.

Details of the Project in terms of Land Earmarked for Future Development:

	Land Parcels	Land Area (Acres.)
1.	Land Parcel 1 – (For future development)	6.42
2.	Land Parcel 2 – (For future development)	1.96
	Total Land Area	8.38

Location Map



Key Assumption

The table below summarizes key valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office with Amenities
Current Status	Office Buildings (B1, B2, B3, B4, B5, B6, B9), Data Centre (Building B10) and Centre Court are Completed and Operational. Data Center Buildings (B8) is future development buildings within the property and is expected to be completed by Q4 FY 25. The Property also includes two(2) land parcels for future development of 6.42 acres and 1.96 acres respectively.
Total Leasable Area	5,212,177 sq. ft.
Year of Completion / Operation	Completed Buildings: Building 1 – 12 years and 7 months Building 2 – 6 years and 1 months Building 3 – 7 years and 4 months Building 4 – 4 years and 9 months

	Building 5 – 9 years Building 6 – 7 years and 7 months Building 9 – OC received on 31 March 2023 Building 10 – 2 months Centre Court – 4 years and 10 months Future development: Data Centre Building 8 – To be completed by Q4 FY 25.
Revenue Assumptions	
In-Place Rent	INR 58.4 per sq. ft. per Month
Market / Marginal Rent	Completed & Future Development Buildings: Office Building - INR 55.0 per sq. ft. per Month Data Center - INR 72.0 per sq. ft. per Month
Parking Rent	INR 2,000 per CPS per Month
Financial Assumptions - Buildings	
Exit Cap Rate	8.00%
Discount Rate / WACC	Completed Buildings: All Office Buildings (B1, B2, B3, B4, B5, B6, B9, Centre Court) & Data Centre Building (B10) – 11.75% Future Development: Data Centre Building (B8) – 13.00%
Financial Assumptions - Power Distribution Services	
Discount Rate / WACC	10.5%
License End Date	12 June 2038

Market Value

Component	Market Value as on	In Figures (INR Mn)	In Words
Total Market Value (Completed / Operational, including power distribution business of Gigaplex Estate Private Limited)	31 st March 2023	42,950.73	INR Forty-Two Billion Nine Hundred Fifty Million Seven Hundred Thirty Thousand Only.
Total Market Value (Under construction building and future development land parcel)	31 st March 2023	1,914.53	INR One Billion Nine Hundred Fourteen Million Five Hundred Thirty Thousand Only
TOTAL VALUE		44,865.26	INR Forty-Four Billion Eight Hundred Sixty-Five Million Two Hundred Sixty Thousand Only

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LIST OF ABBREVIATIONS

CBD	Central Business District
CY	Current Year
INR	Indian Rupees
IT / ITES	Information Technology / IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
km	Kilometre
NH	National Highway
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft	square feet
sq. m	square metre

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project located named '**Mindspace Airoli West**' (**B1, B2, B3, B4, B5, B6, B8, B9, B10 and Centre Court**) located in **Airoli, Navi Mumbai**, Maharashtra, India (hereinafter referred to as the 'Project'). The Project is an operational IT SEZ and Non-SEZ park having leasable area of about 5.2 Mn sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

Gigaplex Estate Private Limited has also invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties).

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

	Building Name	Leasable Area (sq. ft.)
1.	Building 1 - Office Building Completed	420,008
2.	Building 2 - Office Building Completed	715,307
3.	Building 3 - Office Building Completed	756,226
4.	Building 4 - Office Building Completed	834,747
5.	Building 5 - Office Building Completed	374,635
6.	Building 6 - Office Building Completed	391,777
7.	Building 8 - Data Centre Future Development	315,110
8.	Building 9 - Office Building Completed	1,088,460
9.	Building 10 - Data Centre Completed	315,110
10.	Centre Court - Completed	796
	Total Leasable Area	5,212,177

Source: Client, March 2023

Table 1.2: Details of the Project in terms of Land Earmarked for Future Development.

	Land Parcels	Land Area (Acres.)
1.	Land Parcel 1 – (For future development)	6.42
2.	Land Parcel 2 – (For future development)	1.96
	Total Land Area	8.38

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master's in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban

infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited (“JLL India”), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute (“TERI”). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation (“IOVRVF”), is a Fellow of Royal Institution of Chartered Surveyors (“RICS”), Fellow and Lifetime Member of Institute of Valuers, India (“IOV”), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER’S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 3rd April 2023 by the Valuer in the presence of Client-nominated representative and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the

condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary

party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client..
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed, operational & under-construction commercial / office space, (other than the land portions of future development portion which has been valued using Comparable Sales / Quoted Instances Method under 'Market Approach' and power distribution services which has been valued using Discount Cash Flow Method under 'Income Approach'), the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted an exit cap rate of 8.00% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the Project Site against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

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 for under-construction / future development properties. The Valuer has considered a risk premium of 125bps, to derive the WACC of 13% for under-construction / future development properties.

These derived discount rates were found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Mindspace Airoli West, Navi Mumbai, Maharashtra, India																											
Property Address	Special Economic Zone, Plot No. IT-5, Airoli Knowledge Park, TTC Industrial Area, Villages Airoli and Dighe, Thane 400710																											
Land Area	~ 50.0 Acres																											
Brief Description	<p>The property is located in Airoli West in the Thane-Belpaur Road micro market of MMR region along the Airoli Knowledge Park Road. It is located at a distance of about 2.0 km from Dighe Railway Station and 3.8 km from the Airoli Railway Station.</p> <p>Completed Buildings- Office Building (B1, B2, B3, B4, B5, B6, B9), Data Centre Building (B10) and Centre Court</p> <p>The property is developed as Grade A, IT SEZ and Non-SEZ Park with eight(8) buildings (B1, B2, B3, B4, B5, B6, B9 & B10) of which out of five(5) of them are SEZ buildings whereas Building 1 (B1), Building 9 (B9) & Building 10 (B10) are non-SEZ buildings. It also includes one(1) centre court (which is owned by Mindspace REIT via its SPV) is considered for valuation collectively comprising of 4,897,067 sq. ft. of total leasable area.</p> <p>Future Developments – Data Centre Building (B8)</p> <p>Future development comprises of one(1) Non-SEZ data center building (B8) (which is owned by Mindspace REIT via its SPV) is considered for valuation comprising of 315,110 sq. ft. leasable area. The future development portion is expected to be completed by Q4 FY25.</p> <p>The property also includes ~6.42 acres and ~1.96 acres of land earmarked for future development.</p> <p>The property is owned entirely by Mindspace REIT and it also includes power distribution services of for SEZ clients of the project.</p> <p>The property has good frontage along the access road with one(1) main entrance and the rest of the properties are accessible via separate secured gate. The property is surrounded by commercial office spaces followed by residential and industrial developments in the vicinity.</p> <p>Gigaplex Estate Private Limited has also invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators/traders supplying to the grid and then distribute it to the end consumers within the property. It is not allowed to expand the power distribution outside the limits of the SEZ.</p>																											
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table><tr><th></th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>Building 1 - Office Building Completed</td><td>420,008</td></tr><tr><td>2.</td><td>Building 2 - Office Building Completed</td><td>715,307</td></tr><tr><td>3.</td><td>Building 3 - Office Building Completed</td><td>756,226</td></tr><tr><td>4.</td><td>Building 4 - Office Building Completed</td><td>834,747</td></tr><tr><td>5.</td><td>Building 5 - Office Building Completed</td><td>374,635</td></tr><tr><td>6.</td><td>Building 6 - Office Building Completed</td><td>391,777</td></tr><tr><td>7.</td><td>Building 8 - Data Centre Future Development</td><td>315,110</td></tr><tr><td>8.</td><td>Building 9 - Office Building Completed</td><td>1,088,460</td></tr></table>		Building Name	Leasable Area (sq. ft.)	1.	Building 1 - Office Building Completed	420,008	2.	Building 2 - Office Building Completed	715,307	3.	Building 3 - Office Building Completed	756,226	4.	Building 4 - Office Building Completed	834,747	5.	Building 5 - Office Building Completed	374,635	6.	Building 6 - Office Building Completed	391,777	7.	Building 8 - Data Centre Future Development	315,110	8.	Building 9 - Office Building Completed	1,088,460
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9.	Building 10 - Data Centre Completed	315,110
10.	Centre Court - Completed	796
	Total Leasable Area	5,212,177

Based on site inspection, it was found that all the office blocks, center court and one data centre (Building B10) are completed and fully operational. The construction of data centre building B8, intended for future development, is scheduled to be finished by Q4 FY25.

Gigaplex Estate Private Limited has also invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). Details of the Project in terms of Land Earmarked for Future Development:

	Land Parcels	Land Area (Acres.)
1.	Land Parcel 1 – (For future development)	6.42
2.	Land Parcel 2 – (For future development)	1.96
	Total Land Area	8.38

Valuation Methods

The estimate of Market Value is prepared using following methods:

SI	Asset Type	Methodology Adopted
1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion
2.	Under Construction Assets	Discounted Cash Flow Method using Rent Reversion
3.	Power Distribution services	Discounted Cashflow Method
4.	Land Parcels	Comparable Sales/ Quoted Instance Method

Nature of the Interest by the Client

100% leasehold interest in the Project as informed by the Client

Purchase Price of the Project

INR 30,700 million, as given by the Client

Historical Valuation of the Project in 3 Previous Years

Below table summarizes historical valuation of the Project as given by the Client:

SI.	Date of Valuation	Total Market Value (Completed / Operational / Future Development)) (INR Mn)*
1.	30-Sep-2022	42,921 (37,531, 5,390)
2.	31-Mar-2022	41,134 (31,122, 7,013)
3.	30-Sep-2021	39,105 (31,692, 7,413)
4.	31-Mar-2021	36,474 (28,720, 7,754)
5.	30-Sep-2020	35,145 (29,178, 5,967)
6.	31-Mar-2020	35,205 (29,645, 5,561)

*Includes valuation for power distribution business of Gigaplex Estate Private Limited.

Ready Reckoner Rate

Built-up Area (Office) – INR 62,400 per sq mt
Land Area – INR 20,750 per sq mt

Date of Valuation 31-Mar-2023

Date of Inspection 03-Apr-2023

Market Value as on 31-Mar-2023	Component	Market Value as on	In Figures (INR Mn)	In Words
	Total Market Value (Completed / Operational, including power distribution business of Gigaplex Estate Private Limited.)	31 st March 2023	42,950.73	INR Forty-Two Billion Nine Hundred Fifty Million Seven Hundred Thirty Thousand Only.
	Total Market Value (Under construction building and future development land parcel)	31 st March 2023	1,914.53	INR One Billion Nine Hundred Fourteen Million Five Hundred Thirty Thousand Only
	TOTAL VALUE		44,865.26	INR Forty-Four Billion Eight Hundred Sixty-Five Million Two Hundred Sixty Thousand Only

Matters Affecting the Property and its Value Please refer to Chapter 7 of this Valuation Report

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

Prepared by **KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164)**
Represented through its Director
Mr. Sachin Gulaty FRICS FIV FIIA
IBBI/RV/02/2021/14284



Name: Sachin Gulaty FRICS FIV FIIA

Designation: Director

Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5.1: Details of the Project Site and/or Project

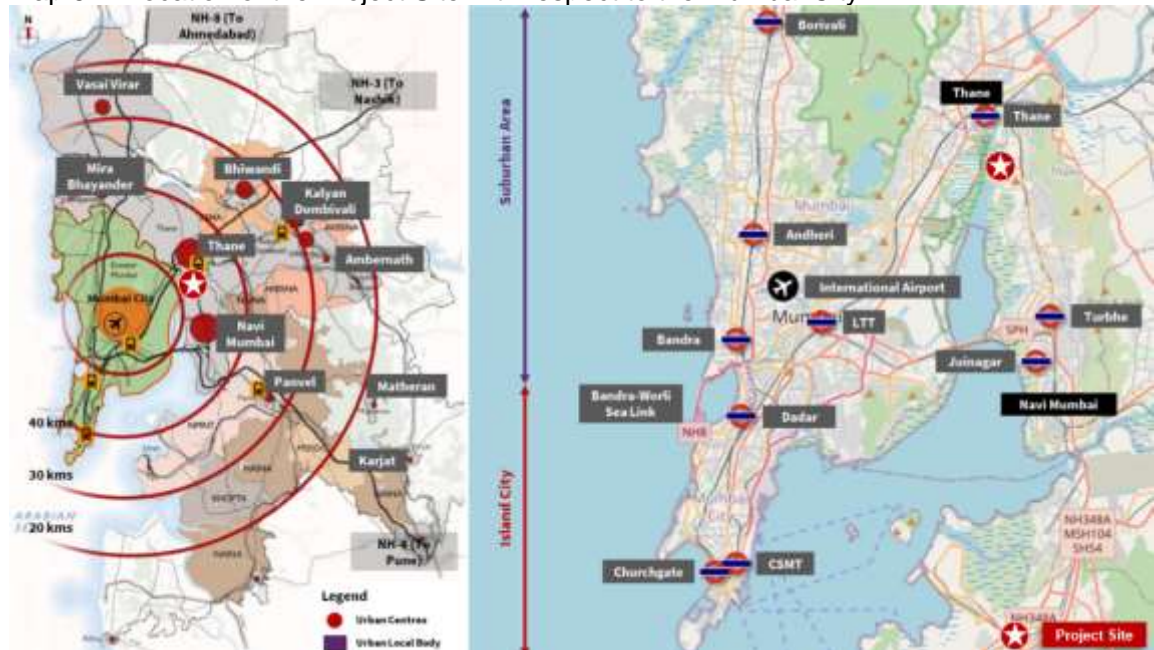
DETAILS OF PROPERTY		
Property Name	Mindspace Airoli West, Navi Mumbai, Maharashtra, India	
Property Address	Special Economic Zone, Plot No. IT-5, Airoli Knowledge Park, TTC Industrial Area, Villages Airoli and Dighe, Thane 400710	
Land Area	~ 50.0 Acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Building Name	Leasable Area (sq. ft.)
	1. Building 1 - Office Building Completed	420,008
	2. Building 2 - Office Building Completed	715,307
	3. Building 3 - Office Building Completed	756,226
	4. Building 4 - Office Building Completed	834,747
	5. Building 5 - Office Building Completed	374,635
	6. Building 6 - Office Building Completed	391,777
	7. Building 8 - Data Centre Future Development	315,110
	8. Building 9 - Office Building Completed	1,088,460
	9. Building 10 - Data Centre Completed	315,110
	10. Centre Court - Completed	796
	Total Leasable Area	5,212,177
	Based on site inspection, it was found that all the office blocks, center court and one data centre (Building B10) are completed and fully operational. The construction of data centre building B8, intended for future development, is scheduled to be finished by Q4 FY25.	
	Details of the Project in terms of Land Earmarked for Future Development:	
	Land Parcels	Land Area (Acres.)
	1. Land Parcel 1 – (For future development)	6.42
	2. Land Parcel 2 – (For future development)	1.96
	Total Land Area	8.38
Access	Accessible through Airoli Knowledge Park Road	
Frontage	Excellent frontage along Airoli Knowledge Park Road	
Shape and Visibility	Regular in shape. Relatively flat terrain. Excellent visibility from Airoli Knowledge Park Road	
Approval Status	List of approvals are specified in annexure	

INFRASTRUCTURE	
Water Supply, Sewerage & Drainage	Available within the Project
Power & Telecommunication	Available within the Project

5.2 LOCATION OF THE PROJECT

The property is strategically located in the Thane-Belpaur Road micro market of MMR region along the Airoli Knowledge Park Road which connects to Thane Belapur Road. It is located at a distance of about 2.0 km from Dighe Railway Station and 3.8 km from the Airoli Railway Station. It is also situated near to the upcoming Navi Mumbai International Airport. The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Mumbai City



Source: Real Estate Market Research & Analysis; JLL, March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Navi Mumbai International Airport	24.0
Airoli Railway Station	3.8
Dighe Railway Station	2.0
Mindspace Airoli East	3.2
Airoli Circle	3.4

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The property is developed as Grade A, IT SEZ and Non-SEZ Park with eight(8) buildings (B1, B2, B3, B4, B5, B6, B9 & B10) of which out of five(5) of them are IT SEZ buildings whereas Building 1 (B1), Building 9 (B9) & Building 10 (B10) are IT Non-SEZ buildings. Future development includes IT Non-SEZ data centre building (B8), 6.42 acres and 1.96 acres land parcels. It also includes one(1) centre court. The topography of the project features terrain that is relatively flat and has a regular shape. It has excellent frontage along the access road.

At the IT Park, there are three food courts which are currently in operation. These can be found on the ground and first floors of buildings 2, 3, and 4 and on 4th floor of building 9. Additionally, there are three private dining rooms (PDRs) available to employees, each of which can accommodate between 10 and 15 people. The park also provides day-care services for employees.

The property is surrounded by commercial office spaces followed by residential and industrial developments in the vicinity. The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments

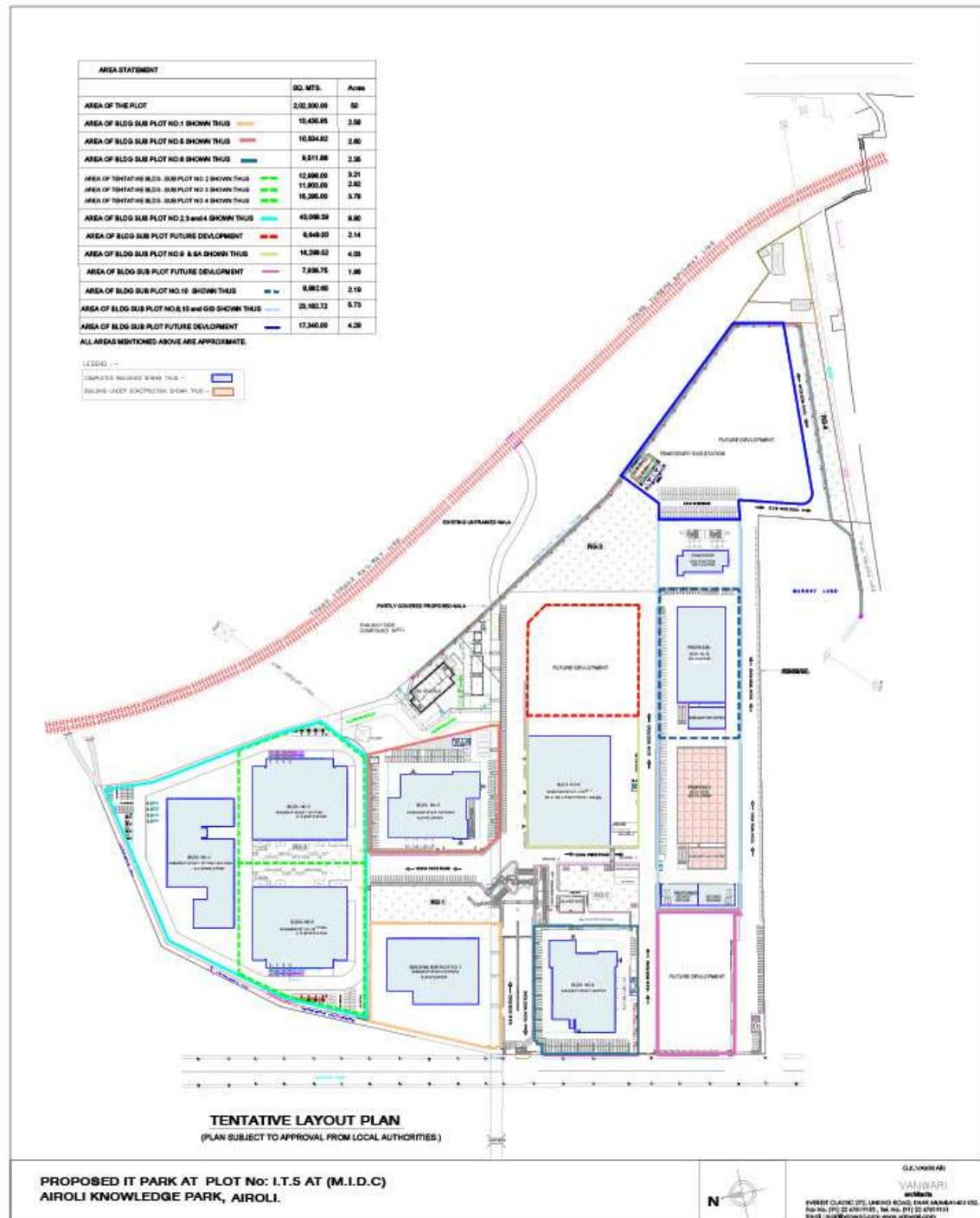


Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project has good accessibility due to its location along the Airoli Knowledge Park Road which connects to Thane Belapur Road and thereby improves connectivity to Thane, Navi Mumbai and other regions of Mumbai City. Upcoming Navi Mumbai International Airport is expected to further enhance the connectivity of Project with other parts of the country and improve travel time in the future.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, 31st March 2023

The table below presents the boundary/edge conditions of the Project Site.

Table 5.3: Project Site and its Site Boundaries

North	MIDC Ground
South	MSEB – Substation
West	Airoli Knowledge Park Road
East	Dighe Railway Station

Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project is surrounded by commercial office spaces followed by residential and industrial developments in the vicinity. Grade A commercial / office developments and mid-scale residential developments are also present in the micro-market.

5.4 DESCRIPTION OF THE PROJECT

The property is Grade A, IT, SEZ and Non-SEZ park developed as commercial / office space with data center which comprises of ~ 5.2 Mn. sq. ft of total leasable area spread across ~50 acres of Land Parcel. The property includes eight(8) buildings (B1, B2, B3, B4, B5, B6, B9 & B10) of which out of five(5) of them are IT SEZ buildings whereas Building 1 (B1), Building 9 (B9) & Building 10 (B10) are IT Non-SEZ buildings. It also includes one (1) centre court. Future development includes IT Non-SEZ data centre building (B8), 6.42 acres and 1.96 acres land parcels.

The topography of the project features terrain that is relatively flat and has a regular shape. It has excellent frontage along the access road. The property is surrounded by commercial office spaces followed by residential and industrial developments in the vicinity. The table in the following page presents details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1 - Office Building Completed	420,008
2.	Building 2 - Office Building Completed	715,307
3.	Building 3 - Office Building Completed	756,226
4.	Building 4 - Office Building Completed	834,747
5.	Building 5 - Office Building Completed	374,635
6.	Building 6 - Office Building Completed	391,777
7.	Building 8 - Data Centre Future Development	315,110
8.	Building 9 - Office Building Completed	1,088,460
9.	Building 10 - Data Centre Completed	315,110
10.	Centre Court - Completed	796
	Total Leasable Area	5,212,177

Source: Client, March 2023

Table 5.5: Details of the Project in terms of Land Earmarked for Future Development:

Sl.	Land Parcels	Land Area (Acres.)
1.	Land Parcel 1 – (For future development)	6.42
2.	Land Parcel 2 – (For future development)	1.96
	Total Land Area	8.38

Source: Client, March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Amenities
- Total utility areas and internal roads.
- Total open spaces.

The table below presents key asset specific information.

Table 5.6: Key Asset Specific Information of the Completed Project

Particulars	Description		
Name of the Entity	Gigaplex Estate Private Limited		
Interest owned by Mindspace REIT	Project is wholly owned by Gigaplex Estate Private Limited which is 100% owned and controlled by the Mindspace REIT ^{1/}		
Total Land Extent	~ 50.0 acres		
Asset Type	IT SEZ and Non-SEZ Park		
Sub-Market	Thane-Belapur Road		
Approved and Existing Usage	IT SEZ and Non-SEZ Park		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	Building 1 – Office Building	12 years 7 months
	2.	Building 2 – Office Building	6 years 1 months
	3.	Building 3 – Office Building	7 years 4 months
	4.	Building 4 – Office Building	4 years 9 months
	5.	Building 5 – Office Building	9 years
	6.	Building 6 – Office Building	7 years 7 months
	7.	Building 9 – Office Building	OC received on 31/03/2023
	8.	Building 10 – Data Centre	2 months
	9.	Centre Court	4 years 10 months
Current Status	Office Buildings (B1, B2, B3, B4, B5, B6, B9), Data Centre (Building B10) and Centre Court are Completed and Operational. Client has obtained occupation certificate for entire office building(B1,B2,B3,B4,B5,B6 & B9) and data center building (B10) .		
Approvals Status	List of approvals are specified in annexure		
Freehold/Leasehold	The Project Site land is leasehold (admeasuring 202,300 sq. mtrs. in Airoli, Navi Mumbai) leased from Maharashtra Industrial Development Corporation ('MIDC'). The lease is valid for a term of 95 years from 1st June, 2007, and shall expire on 31st May, 2102. Further, the company has right to renew the lease for a period of 95 years upon the terms and conditions therein including payment of premium. Since the purpose and obligations associated with the lease have been fulfilled, the likelihood of the lease getting cancelled or not renewed at the end of the tenure is very low. Therefore, no adjustments need to be made to the legal tenure of the underlying land's ownership.		
Leasable Area	~ 4.9 million sq. ft.		
Occupied Area	~ 3.4 million sq. ft.		
Committed Area	~3.5 million sq. ft.		
Occupancy ^{3/}	70.0%		
Committed Occupancy ^{4/}	70.7%		
Number of Tenants	50		

^{1/} Refer company structure set out in Annexure 1^{2/} Client has obtained occupation certificate for entire office building(B1,B2,B3,B4,B5,B6 & B9) and data center building (B10) .^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupier.

Table 5.7: Key Asset Specific Information for Future Development

Table 8.1: Key Asset Specific Information for Future Development			
Particulars	Description		
Name of the Entity	Gigaplex Estate Private Limited		
Interest owned by Mindspace REIT	Project is wholly owned by Gigaplex Estate Private Limited which is 100% owned and controlled by the Mindspace REIT ^{1/}		
Total Land Extent	~ 50.0 acres		
Asset Type	Non-SEZ Building		
Sub-Market	Thane-Belapur		
Approved and Existing Usage	IT Non-SEZ		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	Building 8 – Data Centre	Future Development
Current Status	Future development data centre building (B8) is expected to be completed by Feb-2025.		
Approvals Status	List of approvals are specified in annexure		
Freehold/Leasehold	The Project Site land is leasehold (admeasuring 202,300 sq. mtrs. in Airoli, Navi Mumbai) leased from Maharashtra Industrial Development Corporation ('MIDC'). The lease is valid for a term of 95 years from 1st June, 2007, and shall expire on 31st May, 2102. Further, the company has right to renew the lease for a period of 95 years upon the terms and conditions therein including payment of premium. Since the purpose and obligations associated with the lease have been fulfilled, the likelihood of the lease getting cancelled or not renewed at the end of the tenure is very low. Therefore, no adjustments need to be made to the legal tenure of the underlying land's ownership.		
Leasable Area	0.3 Mn sq.ft		
Occupied Area	0.0 Mn sq.ft		
Committed Area	0.3 Mn sq. ft.		
Occupancy ^{3/}	0.0%		
Committed Occupancy ^{4/}	100%		
Number of Tenants	1		

^{1/} Refer company structure set out in Annexure 1

^{2/} Occupancy certificate yet to be received for future development data centre building (B8).

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

5.5 PROJECT INSPECTION

The Project is part of a larger campus development having total leasable area of 5.2 Mn sq. ft. spread across ~ 50 Acres of land parcel. The topography of the project features terrain that is relatively flat and has a regular shape. The project comprises of eight(8) buildings (B1, B2, B3, B4, B5, B6, B9 & B10) of which out of five(5) of them are SEZ buildings whereas Building 1(B1), Building 9 (B9) & Building 10 (B10) are non-SEZ buildings. It also includes one(1) centre court. All Office Blocks and the Centre Court are completed and operational. The project also includes two(2) Land Parcels for future development of 6.42 acres and 1.96 acres respectively. Also, data center building (B8) is earmarked for future development within the property as on the date of inspection by the Valuer. The Project was inspected by the Valuer on 3rd April 2023.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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

Some of the photographs of the Project and surroundings are given below



External Views of Buildings



External Views of Buildings



View of Internal Pathways



View of Internal Pathways



<p>Internal Views of Buildings</p> 	<p>Internal Views of Buildings</p> 
<p>View of Under Construction Building</p> 	<p>View of Under Construction Building</p> 
<p>View of Access Road</p>	<p>View of Access Road</p>

5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details, age of structure, type of building and the status of the project is summarized in table below:

Table 5.8: Area Details and Age of Structure

	Building Name	Leasable Area (In Sq. Ft.)	Usage Type	Status	Age of Building
1.	Building 1 - Office Building	420,008	IT Non - SEZ	Completed	12 years 7 months
2.	Building 2 - Office Building	715,307	IT SEZ	Completed	6 years 1 months
3.	Building 3 - Office Building	756,226	IT SEZ	Completed	7 years 4 months
4.	Building 4 - Office Building	834,747	IT SEZ	Completed	4 years 9 months
5.	Building 5 - Office Building	374,635	IT SEZ	Completed	9 years
6.	Building 6 - Office Building	391,777	IT SEZ	Completed	7 years 7 months
7.	Building 8 – Data Centre	315,110	IT Non-SEZ	Future Development	Q4 FY25
8.	Building 9 - Office Building	1,088,460	IT Non – SEZ	Completed	OC received on 31 March 2023
9.	Building 10 - Data Centre	315,110	IT Non-SEZ	Completed	2 months 2023
10.	Centre Court	796	IT SEZ	Completed	4 years 10 months

Developable Area of the Project

The total site area of the project is ~50 Acres with total leasable area of ~5.2 Mn sq. ft. The project comprises of eight(8) buildings (B1, B2, B3, B4, B5, B6, B9 & B10) of which out of five(5) of them are SEZ buildings whereas Building 1 (B1), Building 9 (B9) & Building 10 (B10) are non-SEZ buildings. It also includes one(1) centre court. All Office Blocks and the Centre Court are completed and operational. The project also includes two(2) land parcels for future development of 6.42 acres and 1.96 acres respectively. Also, data center building (B8) is earmarked for future development within the property.

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in the operational building.

Below mentioned properties are undergoing upgradation / further development the budget and cost incurred details for the same are as follows:

For Completed Project –

Office Building (B1, B2, B3, B4, B5 B6, B9), Data Centre Building (B10) and Centre Court. The project has received full occupancy certificate. However, there is CAPEX (Upgrade cost) to the tune of approx. INR 596 million which shall be completed by Q2 FY25.

For Under Construction / Future Development –

Data Centre Building (B8) – approx. INR 1,823 million CAPEX (Construction cost, project support services and approval cost) to be incurred till Q3 FY26 while building is expected to be completed by Q4 FY25.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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 Project is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

The Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low risk of flooding and perennial water logging.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer (which are specified in Annexure 7), relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS

Tenant Profile

As on 31st March 2023, Project Site has 51 tenants (for office & data centre facility) which include companies like Accenture Services Pvt. Ltd., Princeton Digital Group India Management Pt. Ltd., HDFC Bank Limited, etc. The Project Site's top 10 tenant accounts for ~71.1% of the Gross Rental income.

The top 10 Tenants as per Leasable areas is listed below: -

Table 5.9: Top 10 Tenants as per Leasable areas*

	Tenant	Leasable Area (Sq Ft)
1	Princeton Digital Group India Management Pt. Ltd.	630,220
2	Accenture Services Pvt. Ltd. (Accenture Solutions Pvt. Ltd.)	480,553
3	HDFC Bank Limited	229,979
4	Axis Bank Ltd	208,158
5	GeP Solutions Pvt. Ltd	200,679
6	UBS Business Solutions (I) Pvt. Ltd	197,940
7	Jacobs Engineering India Private Limited (Worley India Pvt. Ltd.)	196,476
8	Here Solutions India Private Limited	194,213
9	Tablespace Technologies Pvt. Ltd.	160,230
10	IDFC Ltd	96,739
	TOTAL	2,595,187

* Includes contracted areas for which rent may start at a future date

Top 10 Tenants as per Gross Rents are listed below: -

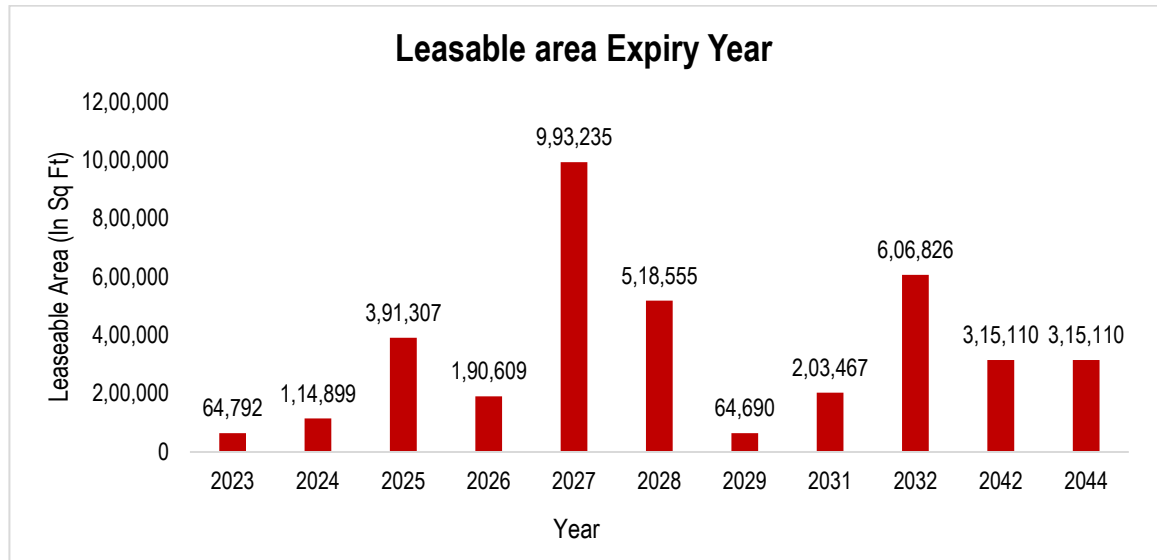
Table 5.10: Tenants as per Gross Rentals*

	Tenant	Share of Gross Rentals
1	Princeton Digital Group India Management Pt. Ltd.	20%
2	Accenture Services Pvt. Ltd. (Accenture Solutions Pvt. Ltd.)	13%
3	UBS Business Solutions (I) Pvt. Ltd	6%
4	Jacobs Engineering India Private Limited (Worley India Pvt. Ltd.)	5%
5	Here Solutions India Private Limited	5%
6	HDFC Bank Limited	5%
7	GeP Solutions Pvt. Ltd	5%
8	Axis Bank Ltd	5%
9	Tablespace Technologies Pvt. Ltd.	4%
10	Alight HR Services India Pvt. Ltd. (Wipro HR Services (I) Pvt. Ltd.)	3%
	Total	71.1%

* Includes contracted areas for which rent may start at a future date

Lease Expiry Analysis

The WALE of the property is 9.7 years based on area as shared by client, with 20% of occupied area expiring between year CY 2023 and year CY 2026 as shown in the chart below:



Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 5% every year or 15% every 3 years.

5.8 POWER DISTRIBUTION SERVICES

In accordance with Section 14 (b) of the Electricity Act, 2003 read with Section 4(1) of the SEZ Act, 2005, entities that own and operate SEZ Parks are considered Deemed Distribution Licensee for supplying electricity to consumers within the SEZ area. Pursuant to the above regulations, Gigaplex Estate Private Limited also has the license to distribute power within the Project Site.

The SPV has invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators supplying to the grid and then distribute it to the end consumers within the Project Site. The SPV is not allowed to expand the power distribution outside the limits of the SEZ, i.e., the Project Site in this case.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Mumbai is the financial capital, an economic powerhouse and one of the key industrial hubs of India. Mumbai is not only home to leading corporate houses and global firms but also to Asia's oldest stock exchange — Bombay Stock Exchange (BSE). According to The Economic Survey of Maharashtra, The Mumbai Metropolitan Region (MMR) contributed about 6.1% to the total GDP of the country in FY 2022. It is the top contributor to the country's exchequer and is expected to account for almost 1/3rd of India's overall tax collection for the financial year ending March 2023. It is also one of the most expensive real estate markets in India, with rents and capital values in the key office sub-markets being some of the highest in the country. Mumbai also has the second-highest office stock in India after Bengaluru. Since 2018, it has been ranked amongst the top 20 cities in JLL's City Momentum Index for its strong real estate demand dynamics.

Mumbai city continued to register a strong comeback in Q1 2023 after the COVID-19 pandemic, even as the global headwinds of geopolitical tensions, declining global growth forecasts and inflation, both domestically and internationally, lingered. In terms of COVID-related restrictions, almost all non-essential activities resumed and were operating normally during the quarter. Both public and private offices are allowed to operate at full capacity and on a 24x7 basis, where applicable, provided the workers' timings are staggered and employees are fully vaccinated. Although the state government has relaxed the restrictions for private offices, they were still operating at only 70–80% capacity.

During the quarter, retail, hospitality, and real estate, which are large contributors to the city's economy and employment, continued to gain momentum. Residential and commercial real estate activities were also operating at full pace as demand for homes continued to remain strong and increased demand for office space by existing as well new occupiers from new-age industries also emerged. The city's economy is likely to continue its growth momentum as 100% employees return to offices and domestic demand increases further.

6.3 INFRASTRUCTURE INITIATIVES

Existing infrastructure

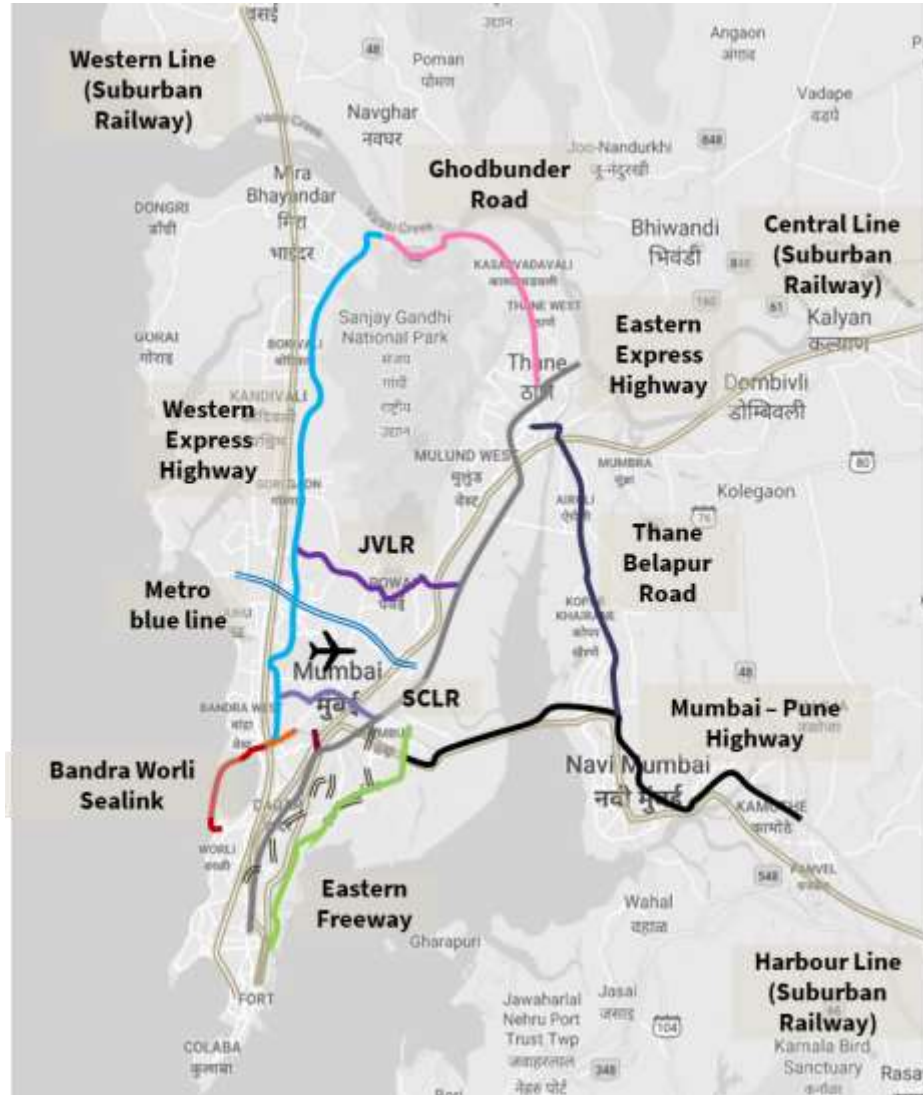
Existing Project	Completion timeline	Details	Key impact zones
Bandra Worli Sealink	2009	5.6 km long, 8-lane wide bridge that links Bandra with South Mumbai.	SBD Central, BKC & Annex and BKC Outskirts
Sealink to Bandra Kurla Complex (BKC) Connector	2021	604 meter long, two-lane flyover	BKC & Annex and BKC Outskirts
BKC – Eastern Express Highway Connector	2019	1.6 km connector from G Block of BKC to the EEH	BKC & Annex, BKC Outskirts and Eastern Suburbs
Western Express Highway (WEH)	2002	North-south 8-10 lane arterial road of 25.33 km	BKC & Annex, BKC Outskirts, Western Suburbs and Malad-Goregaon
Eastern Express Highway (EEH)	2013	23.55 km city express highway	BKC & Annex, BKC Outskirts and Eastern Suburbs
Eastern Freeway	2013	16.8 km long controlled-access highway	CBD, SBD Central and Eastern Suburbs
JVLR (Jogeshwari Vikhroli Link Road)	1994	10.6 km long 6 lane road connecting the WEH and EEH	Western and Eastern Suburbs and Malad-Goregaon
SCLR (Santacruz Chembur Link Road)	2014	6.45-kilometre-long (4.01 mi) arterial road connecting WEH and EEH	BKC Outskirts, and Eastern suburbs
Ghodbunder Road	NA		Thane
Thane Belapur Road	NA	The road has been widened to a total of 6 lanes	Thane and Thane-Belapur Road
Mumbai – Pune Highway	2002	6-lane wide tolled expressway spanning a distance of 94.5 km	Thane-Belapur Road, Navi Mumbai Others
Western Line (Suburban Railway)	1853	Consists of 37 stations from Dahanu Road to Churchgate railway station.	CBD, BKC & Annex, BKC Outskirts, SBD Central, Western Suburbs, Malad-Goregaon
Central Line (Suburban Railway)	1853	Consists of 24 stations from Chhatrapati Shivaji Maharaj Terminus to Kalyan	CBD, SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs, Eastern Suburbs, Thane
Harbour Line (Suburban Railway)	1910	The Harbour line is a branch line of the Mumbai Suburban Railway	CBD, SBD Central, Thane-Belapur Road and Navi Mumbai Others
Monorail Line 1 (Jacob Circle – Wadala)	2014	20.21 km line and is fully elevated	SBD Central
Chhatrapati Shivaji Maharaj International Airport	1942	It has two operating terminals spread over 750 hectares handling 950 aircraft per day.	Western Suburbs, Malad-Goregaon

Upcoming infrastructure

Submarket of Thane-Belapur Road and Navi Mumbai Others will benefit from the proposed Navi Mumbai international airport. A proposed airport would positively impact the real estate market in Navi Mumbai by improving area's commercial value, mainly through generating employment opportunities. Furthermore, it will also ease the burden on Mumbai's Chhatrapati Shivaji International Airport (CSIA) which accounts for over 25% of the entire air traffic in India.

Submarkets like CBD, SBD Central and Western Suburbs and Malad-Goregaon will benefit from the coastal road project. It will help improve the connectivity and reduce the commuting time by 70%. Further, it will create easy access to the commercial hotspots of South Mumbai. Most importantly, it will decongest the expressway and local railways. This will lead to an uptick in the housing demand in the nearby suburbs and boost property prices.

Mumbai - Map of existing and upcoming infrastructure



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

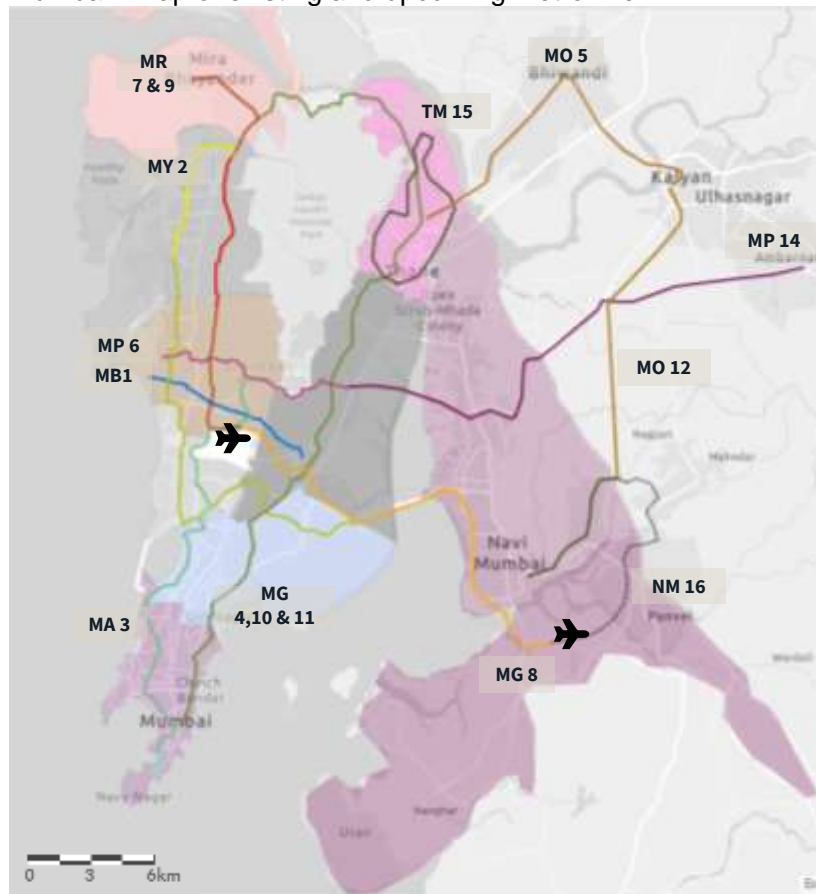
Upcoming Metro Lines - Mumbai

Upcoming Project		Completion timeline	Details	Key Impact Zones
Metro Yellow line 2A and B	MY 2	2022 & 2023	Dahisar – Andheri West – Mankhurd	Western Suburbs and Malad-Goregaon
Metro Aqua line 3	MA 3	2023	Colaba-Bandra-SEEPZ	CBD and SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs
Metro Green Line 4	MG 4,10,11	2024	Wadala – Kasarvadavali – Gaimukh	Eastern Suburbs and Thane

Upcoming Project		Completion timeline	Details	Key Impact Zones
Metro Orange Line 5	MO 5	2024	Thane – Bhiwandi – Kalyan	Thane
Metro Pink Line 6	MP 6	2024	Lokhandwala – Jogeshwari – Kanjurmarg	Western and Eastern Suburbs,
Metro Gold Line 8	MG 8	2026	CSMIA T2 – NMIA (indicative)	Western Suburbs, Thane-Belapur Road, Navi Mumbai Others and Malad-Goregaon
Metro Red Line 9	MR 7 & 9	2024	Dahisar – Mira Bhayandar	Malad-Goregaon
Metro Green Line 10	MG 4,10,11	2025	Gaimukh – Shivaji Chowk (Mira Road)	Thane
Metro Green Line 11	MG 4,10,11	2025	Wadala – CSMT	SBD Central and CBD
Metro Orange Line 12	MO 12	2025	Kalyan – Dombivali – Taloja	Navi Mumbai Others
Metro Magenta Line 14	MM 14	2026	Vikhroli – Badlapur (indicative)	Eastern Suburbs and Thane
Thane Metro	TM 15	2026	Raila Devi – New Thane (indicative)	Thane
Navi Mumbai Metro	NM 16	2024	Belapur – NMIA (indicative)	Thane-Belapur Road and Navi Mumbai Others

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Mumbai - Map of existing and upcoming metro line



Source: Real Estate Market Research & Analysis; JLL, March 2023

6.4 MUMBAI - OFFICE SUBMARKETS

Submarket	Locations	
CBD	Nariman Point, Churchgate, Fort, Ballard Estate, Cuffe Parade	
SBD Central	Lower Parel, Dadar, Worli, Prabhadevi, Parel, Mahalaxmi	
BKC & Annex	BKC	
BKC Outskirts	Kalina, Kurla, Bandra East, Santacruz East	
Western Suburbs	Andheri East, Jogeshwari, Andheri West	
Malad-Goregaon	Goregaon, Malad, Borivali	
Eastern Suburbs	Powai, LBS Marg, Ghatkopar, Vikhroli, Mulund, Sion	
Thane	Wagle Estate, Ghodbunder Road	
Thane-Belapur Road	Airoli, Mahape, Khoparkhairane, Turbhe, Juinagar, Nerul, CBD Belapur	

Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing Activity

City Market Trends

Particular	Total Stock (mn sq ft)	Net Absorption (mn sq ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
Overall	125.0	1.0	42.2%	-5.3%	19.0%	-70 bps	-190 bps
CBD	5.0	0.0	202.9%	NA	9.6%	-70 bps	-110 bps
SBD Central	17.0	0.4	111.2%	28.0%	25.6%	-210 bps	280 bps
BKC & Annex	9.3	0.03	-52.2%	69.6%	8.8%	-40 bps	220 bps
BKC Outskirts	7.4	0.11	26.9%	75.2%	13.9%	-150 bps	-1,090 bps
Western Suburbs	20.2	0.1	299.2%	-63.4%	17.4%	-60 bps	40 bps
Malad-Goregaon	17.1	0.0	-127.9%	-90.2%	14.3%	-10 bps	-40 bps
East Suburbs	15.7	0.1	-272.1%	-51.9%	15.3%	-40 bps	60 bps
Thane	8.9	0.0	-51.6%	-91.3%	17.2%	-10 bps	660 bps
Thane-Belapur Road	20.0	0.3	-33.0%	752.9%	23.2%	-70 bps	-300 bps
Navi Mumbai Others	4.2	0.02	NA	NA	59.1%	-40 bps	-250 bps

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The city's office leasing activity continued to gain momentum in Q1 2023 as most businesses resumed operations and the intensity of work-from-home reduced with the return of employees to the office, albeit with minimal restrictions still in place. While the phased reopening began in the second half 2021, accelerated revival in market conditions was witnessed, especially towards the end of 2022. However, we did see occupiers becoming cautious as a slowdown in global economy and high inflation levels prevailed. The quarter witnessed sluggish leasing activity of 1.5 million sq ft (Gross Leasing Volume) as compared to the previous quarter with 3.3 million sq ft. However, the GLV for the quarter was at par with the pre pandemic levels, thanks to some resilience from the Manufacturing/Industrial, Consulting, BFSI and IT/ITeS sectors. During the quarter, the Thane-Belapur Road, BKC & Annex, BKC Outskirts, Western Suburbs and SBD Central sub-markets were the most active and saw better leasing activity when compared to other sub-markets. Mumbai office space saw a net absorption of 1.01 million sq ft in Q1 2023, which was 42% higher q-o-q. A major part of this net absorption was attributable to the office space take-up in projects recently completed in 2021–2022.

Leasing activity gained momentum as the pandemic-induced restrictions were scaled back, and also due to strong performance by domestic industries and an increase in the percentage of employees returning to the office. Enquiries for new office space and expansion-driven space increased during the quarter. Co working operators continued to take-up space as demand for managed workspaces gathered momentum. All major pre-commitments remained intact; moreover, some occupiers exercised their hard option to take additional space. Office space leasing activity during the quarter was mostly driven by large to medium-sized deals. Redbrick Offices Ltd. leased additional 17,537 sq ft in Kaledonia in Western Suburbs and Executive Centre renewed 10,829 sq ft in The Capital, in BKC & Annex. Within the Non-IT category, Aditya Birla Finance leased 76,004 sq ft at G Corp Tech Park, Thane and in the IT/ITeS category Hi Solutions renewed 89,759 sq ft in Hiranandani Business Park Lighthall B in Western Suburbs.

Post COVID the city has witnessed increased demand by the occupiers from the medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. In 2023, we expect demand to outpace supply, leading to a decrease in vacancy levels.

Vacancy

Quarterly net absorption outpaced new supply and pushed the vacancy rate down to 19% in Q1 2023. All the submarkets recorded a decrease in vacancy levels, on a q-o-q basis. The overall impact was a 70-bps q-o-q decline in the city's vacancy level.

New Supply

Post-pandemic construction activity has been going on at the optimum level and continued at similar levels during the quarter. However, few project completions were deferred to next quarter as they await their occupation certificates. Only one project - Newa Non-IT Bhakti Knowledge Park Phase 1 (0.15 mn sq ft), in Thane-Belapur Road was completed during the quarter. This led to the total Grade A stock for Mumbai increasing by 0.15 million sq ft to 125 million sq ft.

The pace of construction activity was at an optimum level as most of the COVID-related restrictions have been removed. By end-2027, overall stock is expected to see an addition of around 40 million sq ft of Grade A space, with Thane-Belapur Road, SBD Central, BKC Outskirts and Malad-Goregaon sub-markets combining to account for 80% of the future supply.

Outlook

About 7.5 million sq ft of office space is scheduled to complete in 2023. An optimum pace of construction activity is expected, barring any unexpected fresh COVID-19 outbreaks. Demand for flex space and managed workspaces is likely to be high as occupiers prefer fully fitted options to save on costs while gaining flexibility in their portfolio as part of their evolving workspace strategy.

Total net absorption in 2023 is expected to be around 4.8 mn sq ft. Demand is expected to be driven by medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. Towards end-2023, supply is expected to outpace demand, leading to an increase in vacancy rates. Capital values are expected to rise faster than rents due to rising investor interest, leading to a compression of yields in key submarkets for quality assets.

6.5 MICRO MARKET : THANE-BELAPUR ROAD

The Mindspace Airoli West project lies in the Thane-Belapur Road micro market.

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate

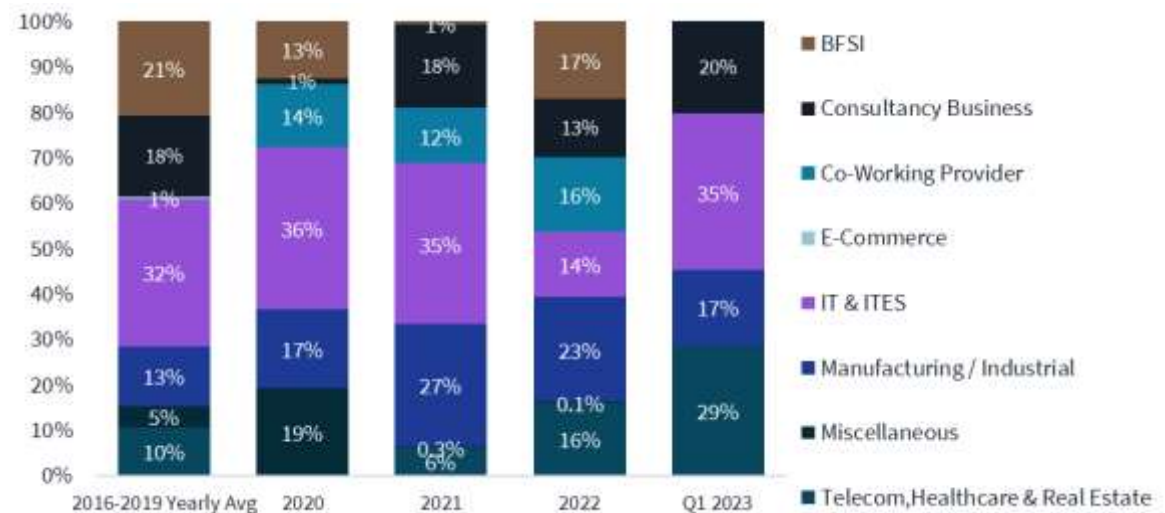


Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Mindspace Airoli West project lies in the Thane Belapur Road micro-market.

Leasing Activity

Occupier share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

In Q1 2023, the Thane-Belapur Road submarket witnessed a healthy 267,358 sq ft of net absorption; however, it was lower by 33% q-o-q but higher by 752% y-o-y. Most of the absorption came from space take-ups in recently completed projects. Tecnimont leased 67,051 sq ft in Gigaplex B9 and Heubach Colorants India leased 24,330 sq ft in Rupa Renaissance. Thane-Belapur Road is one of the most favoured sub-markets amongst IT/ITeS occupiers as it offers a good supply of quality space with large floor plates, ideal for consolidating and expanding within the campus.

Supply

One new project, Newa non-IT Bhakti Knowledge Park Phase 1 with 0.15 million sq ft, was completed during the quarter. Thane-Belapur Road is still the largest submarket in the city and has 24.2 million sq ft of Grade A Office space, accounting for a 19% share of the total city stock.

Vacancy

Strong leasing activity and marginal increase in stock led to the vacancy rate to record a drop during the quarter, declining by 70 bps q-o-q to 23.2%. Prominent projects like Mindspace REIT Airoli and Gigaplex offered limited options with vacancies at just around 5–10%.

Rents



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Note: Mindspace REIT micro markets, 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.

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market

Table 6.1: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Occupier Name	Name of the Building	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
1	Heubach Colorants India Limited	Rupa Renaissance	Turbhe	24,330	76 - 80	Q1 2023
2	Aegis Customer Support Services Private Limited	Rupa Solitaire	Mahape	23,348	65 - 69	Q1 2023
3	Aldrich Business Services Private Limited	Rupa Renaissance	Turbhe	20,000	85 - 89	Q1 2023
4	Jibe Development Services Private Limited	Rupa Renaissance	Turbhe	20,000	68 - 72	Q1 2023
5	BDX India Private Limited	Rupa Renaissance	Turbhe	17,150	51 - 55	Q1 2023
6	Jibe Data Analytics Services Private Limited	Rupa Renaissance	Turbhe	10,000	68 - 72	Q1 2023
7	GBIM Technologies Private Limited	Rupa Solitaire	Mahape	7,673	63 - 67	Q1 2023
8	Zoomlion India Private Limited	Akshar Business Park	Turbhe	5,264	89 - 93	Q1 2023
9	Unipart Services India Private Limited	Cyber One	Vashi	4,546	78 - 82	Q1 2023
10	BNM Business Solutions LLP	Akshar Business Park	Turbhe	3,934	60 - 64	Q1 2023
11	Safilo India Private Limited	Arihant Aura - Tower B	Turbhe	3,905	53 - 57	Q1 2023
12	Boppo Technologies Private Limited	Rupa Solitaire	Mahape	3,884	68 - 72	Q1 2023
13	First Solution Services	Rupa Solitaire	Mahape	3,884	68 - 72	Q1 2023
14	Unipart Services India Private Limited	Cyber One	Vashi	1,505	78 - 82	Q1 2023
15	EFC India	Empire Tower	Airoli	62,634	65-68	Q4 2022
16	Birla Management	Empire Tower	Airoli	27,347	58-60	Q4 2022
17	Reliable Spaces	Empire Tower	Airoli	12,360	63-66	Q3 2022
18	EFC	Empire Tower	Airoli	55,825	58-60	Q3 2022
19	Nouryon Chemicals India	Empire Tower	Airoli	18,960	52-55	Q2 2022
20	Neelkanth Hospitality	Empire Tower	Airoli	4,227	48-50	Q2 2022
21	EFC	Empire Tower	Airoli	62,598	52-55	Q2 2022
22	Sify Infinit Spaces	Reliable Plaza	Airoli	127,000	61-65	Q3 2022
23	Heubach Colorants India	Reliable Tech Park	Airoli	28,707	55-58	Q4 2022
24	Spocto Solutions	Reliable Tech Park	Airoli	50,224	45-47	Q2 2022
25	Reliable Spaces	Reliable Tech Park	Airoli	63,257	45-47	Q1 2022

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The lease transactions in the micro market are recorded in the range of INR 50 – 80 per sq. ft. per month. The lease transactions in Airoli West location where the Project is located are in the range of INR 55 to 60 per sq. ft per month. Market rent for Mindspace Airoli West Project has been considered in line with the achievable market rent for completed buildings at INR 55 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within the Country

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6.2: List of transactions / deals in recent past:

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000 - 36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40,000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 - 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 - 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 - 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% - 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000 - 9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000 - 11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 - 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 - 24,000	8.00% - 8.25%	2020

Project Site is **Mindspace Airoli West** which is one of the known developments for IT/ITeS companies located in the Thane-Belapur Road micro market at Airoli in Navi Mumbai City. The Project is part of **Mindspace Business Parks REIT** (Mindspace REIT) portfolio. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A space spread across nine completed and operational building with good amenities and facilities. There are prominent clients in the larger campus such as Accenture Services Pvt. Ltd., Princeton Digital Group India Management Pt. Ltd., HDFC Bank Limited etc., and is preferred commercial development in this micro-market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

Over the next five years, the Thane-Belapur Road micro market is likely to add about 10.5 million sq. ft of Grade A supply. As a result of this continuous infusion of supply into the micro market, rents are expected to remain stable and grow in a few marquee projects.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.1.1 Cash Flow Projections

The cash flows for the Project has been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimation 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 lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent-free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.1.2 **Construction Timelines**

As mentioned earlier, the Project has approx. 5.2 Mn sq. ft. of total leasable area under seven office building, centre court, one data centre building that are operational and one data centre building under future development. Some of the properties are undergoing upgradation / further development the budget and cost incurred details for the same are as follows:

For Completed Project –

Office Building (B1, B2, B3, B4, B5 B6, B9), Data Centre Building (B10) and Centre Court. The project has received full occupancy certificate. However, there is CAPEX (Upgrade cost) to the tune of approx. INR 596 million which shall be completed by Q2 FY25.

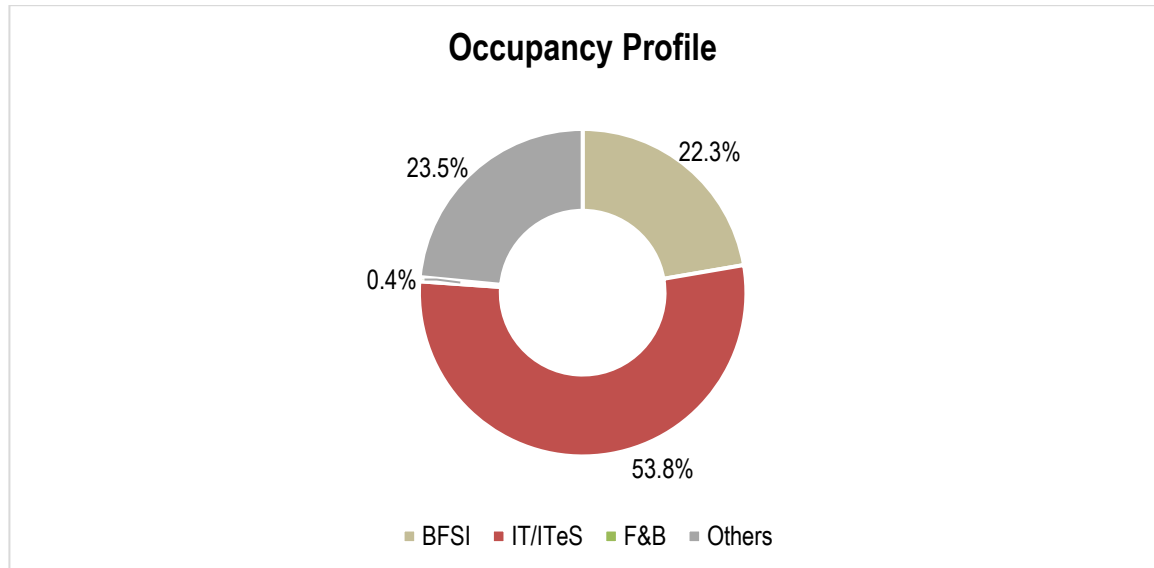
For Under Construction / Future Development –

Data Centre Building (B8) – approx. INR 1,823 million CAPEX (Construction cost, project support services and approval cost) to be incurred till Q3 FY26 while building is expected to be completed by Q4 FY25.

7.1.3 Absorption/ Leasing Velocity and Occupancy Profile

Occupancy profile of the project is as follows: -

- ~53.8% of the space is taken by IT/ITeS sector.
- ~23.5% taken by Others (Consulting, BPO, Pharma, Construction and Technology).
- ~22.3% by BFSI.
- A small area that is 0.4% by F & B.



7.1.4 Key Assumptions and Inputs

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-2033	As per workings
Asset Details		
Total Leasable Area	4,897,067 sq ft	As per the information provided by the Client
Leased Area	3,412,929 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	1,484,138 sq ft	As per the information provided by the Client
Vacancy Allowance	2.0 %	As per market benchmarks for large scale Grade A office projects. .
Area to be Leased	1,484,138 sq ft	As per the information provided by the Client

Parameters	Assumptions / Inputs	Remarks / Basis
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market for Grade A properties, the rent free period for existing lease rollovers is two months.
Rent Free Period for New Leases	3 months	As prevalent in the micro-market for Grade A properties, the rent free period for new leases is three months.
Total No. of Car Parking Spaces	3441 Nos.	As per the information provided by the Client
No. of Car Parking Spaces Leased	205 Nos.	As per the information provided by the Client
Estimated Leasing Period	Not Applicable for this property	
Construction Related Assumptions		
Approx. Construction Cost to be incurred	INR 596 Mn	As per the information provided by the Client
Estimated Completion Date for Incurring the Expenditure	Q2 FY25.	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e. 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent - Office	INR 55 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 50 – 60 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 55 - 65 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	Not Applicable	
Market Rent - Car Parking Space	INR 2,000 per CPS per month	The Grade A offices offers car parking rates in the range of INR 1,500 – 2,500 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car

Parameters	Assumptions / Inputs	Remarks / Basis
		park rate for the Project Site is derived.
Market / Marginal Rent - Food Court	INR 65 per sq. ft. per month	The lease transactions of food court in Grade A IT park in the said micro market are recorded in the range of INR 60 – 70 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 65 - 75 per sq. ft. per month.
Market / Marginal Rent - Kiosk	INR 315 per sq. ft. per month	The lease transactions of kiosk in Grade A IT park in the said micro market are recorded in the range of INR 310 – 320 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 315 – 330 per sq. ft. per month.
Market / Marginal Rent - Terrace	Not Applicable	
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	For buildings excluding data center 6.0% per annum (FY25, FY26 and FY27) 5.0% per annum FY28 onwards Data Center 5.0% per annum	As prevalent in the market
Parking Rent Growth from FY 2024-25	4.5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower

Parameters	Assumptions / Inputs	Remarks / Basis
Maintenance Services Income / CAM Income	INR 12.98 per sq. ft. per month (for operational buildings B1, B2, B3, B4, B5, B6 and B9) INR 2.10 per sq. ft. per month (for operational data centre building B10)	The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 10.43 per sq. ft. per month (for operational buildings B1, B2, B3, B4, B5, B6 and B9) INR 1.05 per sq. ft. per month (for operational data centre building B10)	As shared by client and as prevalent in the market
Property Tax	INR 1.8 per sq. ft. per month	As shared by client and as prevalent in the market
Insurance	INR 0.3 per sq. ft. per month	As shared by client and as prevalent in the market
Cost Escalation	3.0% per Annum	As prevalent in the market.
CAM Escalation	5.0% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1.0% of Terminal Value	As prevalent in the market
Other Operating Expenses	2.0% of Base Rent + Car Parking Charges if any	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income if any)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the net cash flow of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

Table 7.3: Key Assumptions Used in the Estimate of Future Development Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-2033	As per workings
Asset Details		
Total Leasable Area	315,110 sq ft	As per the information provided by the Client
Leased Area	315,110 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	0.0 sq ft	As per the information provided by the Client
Vacancy Allowance	2 %	As per market benchmarks for large scale Grade A office projects. .
Area to be Leased	Nil	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market for Grade A properties, the rent free period for existing lease rollovers is two months.
Rent Free Period for New Leases	3 months	As prevalent in the micro-market for Grade A properties, the rent free period for new leases is three months.
Estimated Leasing Period	Not Applicable as the vacancy is less than stabilized vacancy	
Construction Related Assumptions		
Approx. Construction Cost to be incurred	INR 1,823 Mn	As per the information provided by the Client
Estimated Completion Date	Q4 FY24	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e. 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent - Office	INR 72.0 per sq. ft. per month	The lease transactions in Grade A Data Centre development in the said micro market are recorded in the range of INR 65 – 75 per sq. ft. per month for last 5 years. The asking instances are observed in the range

Parameters	Assumptions / Inputs	Remarks / Basis
		of INR 75 - 85 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	Not Applicable	
Market Rent - Car Parking Space	Not Applicable	
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent - Kiosk	Not Applicable	
Market / Marginal Rent - Terrace	Not Applicable	
Other Income	Not Applicable	
Market Rent Growth from FY 2024-25	5.0% per annum	As prevalent in the market
Parking Rent Growth from FY 2024-25	Not Applicable	
Lease Tenure	Till November 2064	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 2.10 per sq. ft. per month	The CAM rate in Data Centre Development is observed to be in the range of INR 1 – 5 per sq.ft. per month. The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 1.05 per sq. ft. per month	As shared by client and as prevalent in the market
Property Tax	INR 1.8 per sq. ft. per month	As shared by client and as prevalent in the market

Parameters	Assumptions / Inputs	Remarks / Basis
Insurance	INR 0.3 per sq. ft. per month	As shared by client and as prevalent in the market
Cost Escalation	3% per Annum	As prevalent in the market.
CAM Escalation	5% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges if any	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income if any)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: (for data centre building B8) – 13%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the net cashflows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.2 VALUATION ASSUMPTIONS FOR POWER DISTRIBUTION SERVICES

7.2.1 Adopted Methodology

Referring to the commission's latest order for the operational facility, the cash flows from the power distribution services are projected in the following manner:

Amount of approved Gross Fixed Assets ("GFA") is considered

Further, Net Fixed Asset (NFA) which is GFA reduced by accumulated depreciation allowed as on date is computed.

To compute the Net cashflows, mainly return on equity, interest on notational debt, recovery of depreciation, interest on working capital have been added.

Licensee is allowed to charge 14% return on equity which is 30% of GFA. In case of no actual loan, the commission allows a return on normative loan equal to 70% of GFA based on MYT regulations 2019. SLM (Straight Line Method) is considered for depreciation, as per the average rate approved by the commission. Depreciation is considered to the extent of 90% of the GFA.

Approved power procurement, operational and maintenance expenses are allowed completely pass through.

7.2.2 Key Assumptions and Inputs

Following are the key details as per the Commission order dated 31 March 2023:

Table 7.4 Key Assumptions Used for Power Distribution Services

Particulars	Unit	Figure
Gross Fixed Assets	INR Mn	297
Notional Equity (30% of GFA)	INR Mn	89
Notional Debt as on March 2023 (70% of GFA)	INR Mn	208
Return on Equity	%	14%
Depreciation Rate	% Per annum	5.3%
License End Date	Date	12 June 2038

7.2.3 Key Projections for Cash Flows

Following are the key projections, as provided by the Client

Table 7.5 Key Projections for Power Distribution Services

Particulars	Unit	Q1 FY 2023	Q2 FY 2023	Q3 FY 2023	Q4 FY 2023
Number of units sold	Mn units	6.3	6.5	7.0	6.5
Revenue from Sales	INR Mn	63	65	70	65
FAC Fund	INR Mn	8	8	9	8
Power purchase expense	INR Mn	47	48	52	48
Project support fees	INR Mn	5	5	5	5
Other R&M expenses	INR Mn	2	2	2	2
Other expenses	INR Mn	13	13	13	13

For the purpose of discounting the future cash flows Weighted Average Cost of Capital (WACC) of 10.5% has been utilized.

Following are the key projections for the purpose of projecting the future cashflows and further discounting the same to arrive at the market value for the Power Distribution Services.

Table 7.6 Key Assumptions for Operating Parameters

Assumption	UNIT	DETAILS
Power Purchase Cost (Increase % p.a. post)	% per annum	5.0%
O&M (Increase % p.a.)	% per annum	7.0%
Depreciation (SLM) -MERC	%	5.3%
Depreciation (SLM) -Companies Act	%	3.8%
Transition Loss	%	0.7%
Prov for Contingency (% of GB)	%	0.0%

7.3 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Table 7.7: Market Value of the Project

Component	Market Value as on	In Figures (INR Mn)	In Words
Total Market Value (Completed / Operational, including power distribution business of Gigaplex Estate Private Limited)	31 st March 2023	42,950.73	INR Forty-Two Billion Nine Hundred Fifty Million Seven Hundred Thirty Thousand Only.
Total Market Value (Under construction building and future development land parcel)	31 st March 2023	1,914.53	INR One Billion Nine Hundred Fourteen Million Five Hundred Thirty Thousand Only
TOTAL VALUE		44,865.26	INR Forty-Four Billion Eight Hundred Sixty-Five Million Two Hundred Sixty Thousand Only

Note: The above-mentioned value includes proportionate undivided ownership in the Amenities, Utility Areas and Internal Roads and total open spaces of the Entire Campus

¹ The completed component value includes value of power distribution business

² The under-construction component value includes value of land parcels under future development (which may be considered for sale) as shown in table 7.7

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project Mindspace Airoli West, comprising total leasable area of 5,212,177 sq. ft. located in Navi Mumbai, Maharashtra, India is estimated to be **INR 44,865.26 Mn (INR Forty-Four Billion Eight Hundred Sixty-Five Million Two Hundred Sixty Thousand Only).**

Table 7.8: Market Value of the Land Component

Component	Market Value as on	In Figures (INR Mn)	In Words
Land for Future Development	31 st March 2023	711.82	INR Seven Hundred Eleven Million Eight Hundred Twenty Thousand Only

Table 7.9: Ready Reckoner Rate

Component	Ready Reckoner Rate (INR per sq.m)
Built-Up Area	62,400
Land Area	20,750

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

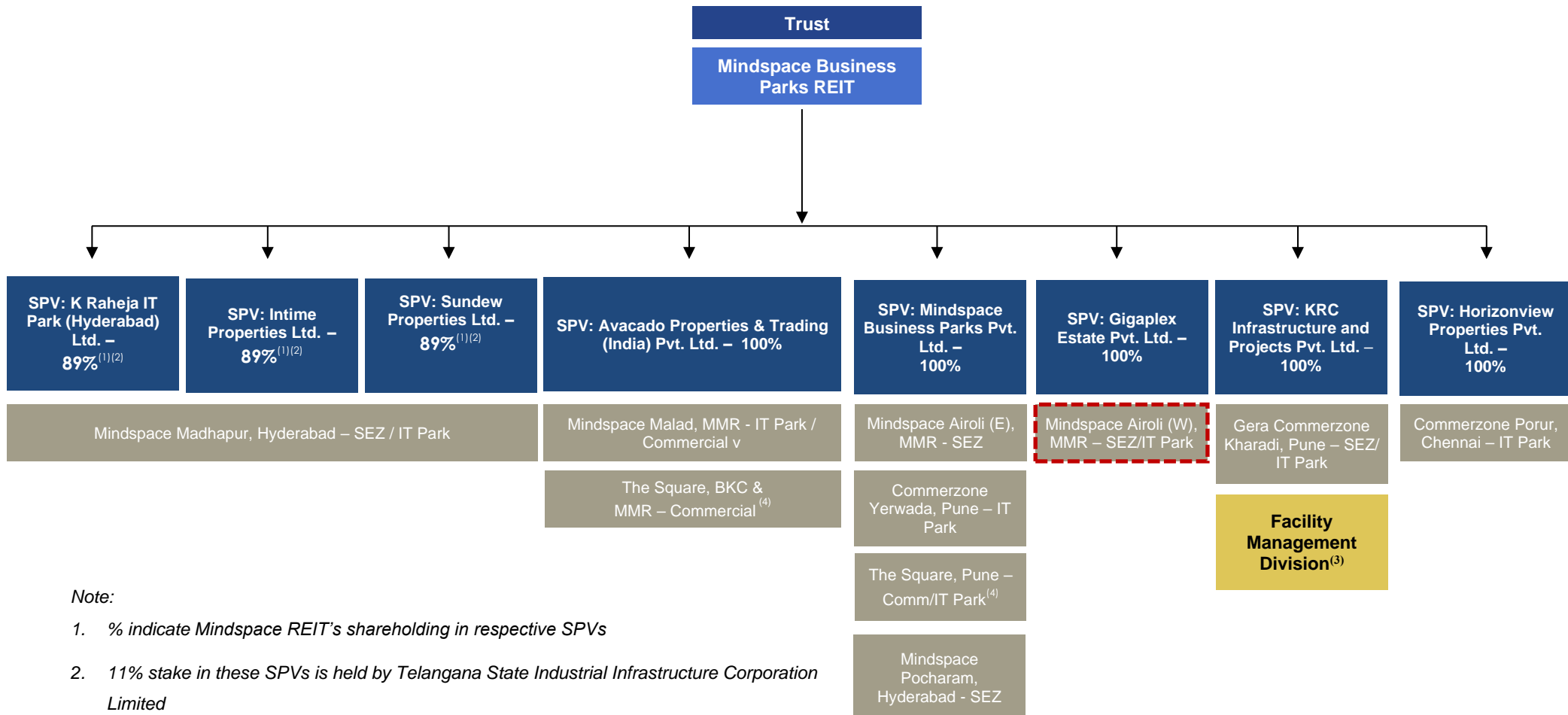
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

Ownership Structure of the Project

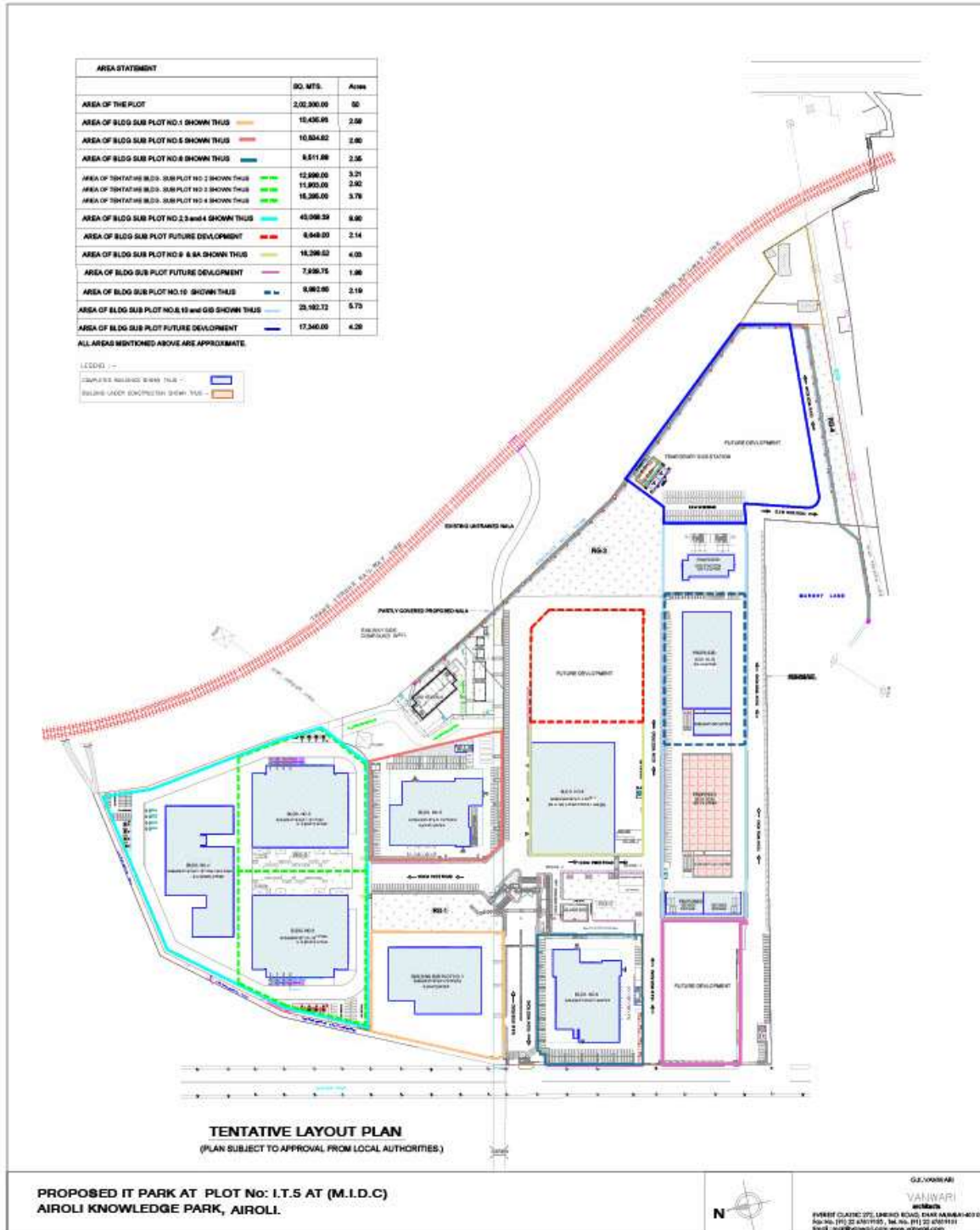


Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd

Annexure - 2

Layout Plan of the Project



Annexure - 3

Statement of Key Assets within the Project

Building	No. / Name	B1	B2	B3	B4	B5	B6	B9
Floor	Nos	B+S+8F	B+S+P1+P2+11+T	B+S+P1+P2+11+T	B+S+P1+P2+12+T	B+S+8F	B+S+8F	B+S+P1+P2+P3+16F
Warm Shell / Bare shell		Warm shell	Warm shell	Warm shell	Warm shell	Warm shell	Warm shell	Warm shell
Air Cooled Chiller	TR		2 x 350	2 x 350	2 x 350	350	450	2X350
Water Cooled Chiller	TR	2 x 500, 1x 650	3 x 650	3 x 650	3 x 700	3 x 350	2 x 555	3X650
No of Elevators /Make	No/ Make	7-Fujitech	10- Toshiba	10 - Toshiba	12-Otis	7-Fujitech	7-Toshiba	18-Hitach
No of DG / Capacity	No. / KVA	3 X 1500	2 X 2250, 2 X 1700	2 X 2250, 2 X 1700	4 X 2000	4 X 1010	4 X 1010	5X1010
No of Transformers / Capacity	No./ KVA	3 x 1600	4 x 2000	4 x 2000	4 x 2000	2 x 2000	2 x 2000	6X2000
FF System								
Booster Pump	KW / Make	9.3, Kirlsokar Brothers	11, Kirlsokar Brothers	11, Kirlsokar Brothers	11, Kirlsokar Brothers	11, Kirlsokar Brothers	11, Kirlsokar Brothers	2* 9.3/ wilo
Jockey Pump	KW / Make	9.3, Kirlsokar Brothers	7.5, Arrow Engineer	2 x 7.5, Wilo	2 x 7.5, Wilo	4, Kirlsokar Brothers	9.3, Kirlsokar Brothers	Low zone- 2* 5.5/Wilo, High Zone- 2* 7.5/Wilo
Fire Diesel Pump	KW / Make	62.6, Kirlsokar Brothers	178, Greves Cotton Ltd	178, Greves Cotton Ltd	178.8, Greves Cotton Ltd	102, Kirlsokar Brothers	123, Kirlsokar Brothers	2* 161.72/Wilo
Hydrant Pump	KW / Make	75, Kirlsokar oil Engine	178, Arrow Engineer	180, Bharat Bijlee	180, Bharat Bijlee	75, Kirlsokar oil Engine	132, Kirlsokar Brothers	180/ Wilo
Sprinkle Pump	KW / Make	75, Kirlsokar oil Engine	180, Greves Cotton Ltd	132, Bharat Bijlee	180, CG	75, Kirlsokar oil Engine	132, Kirlsokar Brothers	180/ Wilo
STP Rating	KLD	200	300	300	350	200	165	650

Source: Client 31st March 2023

Annexure - 4

Approvals and NOCs Received for the Project

Property Inspection - Mindspace Airoli West

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

1. Approvals Received

- a) Building Approvals for all buildings and amendments thereof
- b) Consent to Operate for Building 1, Building 2, Building 3, Building 4, Building 5, Building 6, Building 9 and Building 10
- c) Full Occupancy Certificates received for all existing/operational buildings
- d) Drainage Approvals for all buildings and the common campus area
- e) Approved Master plan and layout plan
- f) SEZ Notification
- g) NOC issued by AAI for height clearance
- h) Consent to establish (CTE) for all buildings
- i) Environmental clearances for all buildings
- j) One-time Fire NOC and Form B
- k) Fire NOC and Form B

2. Approvals Pending

- a) Building B10 CTO applied and awaiting

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Annual Statement of Rates							
Year	20232024						
Selected District	Thane						
Select Taluka	Thane						
Select Village	Village Name : Airoli						
Search By	<input checked="" type="radio"/> Survey no <input type="radio"/> Location						
Enter Survey No	145		Search				
subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)	Attribute
1/54-Airoli Node Lamps (North Side)	20800	53400	62400	75600	62400	Sq. meter	Survey No

MIDC Land Rates

Regional Office: Thane 1 Industrial Area: Airoli Knowledge Park Search

Airoli Knowledge Park

[Basic Information](#) [City Information](#) [Location Details](#) [Contact Us](#)
[Clients](#) [Infrastructure](#) [Plots/Sheds Available](#) [Industrial Maps](#)

Objective :

Industry Category : Growth Center

Land Rates

Industrial Plots per sq. mtr	: 20750
Commercial Plots per sq. mtr	: 62250
Residential Plots per sq. mtr	: NA

NOTE :

- MIDC reserves the right to revise the rates without prior notice.
- If the plot is facing State Highway/National Highway or the service road parallel to highways, then 15% additional premium will have to be paid.
- If the plot is having the more frontage than the standard size, then additional frontage charges will have to be paid for the excess frontage per running meter decided by the corporation time to time.
- If the plot is situated at the junction as stated at
 - 1) above or having the excess frontage as stated at
 - 2) above, in that case the additional premium will have to be recovered which will be on higher side.

Annexure - 6

Cash Flow Profile

Table 7.10: Discounted Cash Flow of Completed Project - Office Building (B1, B2, B3, B4, B6, B7, B9)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		457.00	-	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		2,223.22	2,610.13	3,072.04	3,232.31	3,300.20	3,451.45	3,650.24	3,815.55	3,949.26	4,039.70	4,462.64
B	Car Parking Income		3.95	3.80	3.85	4.42	4.54	5.86	6.43	6.72	7.02	7.30	7.67
C	Fit-out rentals/ tenant improvements		102.60	102.60	102.60	102.60	102.60	102.60	102.60	102.60	92.43	21.36	-
D	Facility Rentals		2,329.77	2,716.54	3,178.50	3,339.33	3,407.35	3,559.91	3,759.27	3,924.88	4,048.71	4,068.37	4,470.31
E	Maintenance services income		533.31	643.44	743.39	780.56	819.59	860.57	903.60	948.78	996.21	1,046.02	1,098.33
F	Other Operating Income		22.23	26.10	30.72	32.32	33.00	34.51	36.50	38.16	39.49	40.40	44.63
G	Revenue from Operations		2,885.31	3,386.07	3,952.61	4,152.22	4,259.94	4,454.99	4,699.37	4,911.81	5,084.42	5,154.79	5,613.26
	Direct Operating Expenses												
H	Maintenance services Expenses		552.86	580.50	609.52	640.00	672.00	705.60	740.88	777.92	816.82	857.66	900.54
I	Property Tax		94.37	97.20	100.12	103.12	106.21	109.40	112.68	116.06	119.54	123.13	126.82
J	Insurance Premium		13.83	14.25	14.67	15.11	15.57	16.03	16.52	17.01	17.52	18.05	18.59
K	Net Operating Income (NOI)		2,224.26	2,694.13	3,228.30	3,393.98	3,466.16	3,623.96	3,829.29	4,000.81	4,130.54	4,155.95	4,567.31
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	56,520.40	-
	Indirect Operating Expenses												
L	Brokerage Fees		31.83	76.24	29.23	20.61	45.22	33.12	8.96	7.17	28.37	79.92	-
M	Property Management Fee		82.32	95.99	112.32	118.01	120.41	125.80	132.85	138.71	143.09	143.81	158.02
N	Other operational expenses		44.54	52.28	61.52	64.73	66.09	69.15	73.13	76.45	79.13	80.94	89.41
O	Net Cashflows		1,608.57	2,469.62	3,025.23	3,190.63	3,234.43	3,395.89	3,614.35	3,778.49	3,879.95	60,371.68	4,319.88

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

Table 7.11: Discounted Cash Flow of Completed Project – Office Building (B5)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		139.00	89.00	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		26.49	163.40	261.86	273.65	285.96	298.83	312.28	326.33	341.02	335.90	391.14
B	Car Parking Income		-	-	-	-	-	-	-	-	-	-	-
C	Fit-out rentals/ tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		26.49	163.40	261.86	273.65	285.96	298.83	312.28	326.33	341.02	335.90	391.14
E	Maintenance services income		13.13	50.22	66.19	69.50	72.98	76.63	80.46	84.48	88.71	93.14	97.80
F	Other Operating Income		0.26	1.63	2.62	2.74	2.86	2.99	3.12	3.26	3.41	3.36	3.91
G	Revenue from Operations		39.89	215.26	330.68	345.89	361.80	378.45	395.86	414.08	433.13	432.40	492.85
	Direct Operating Expenses												
H	Maintenance services Expenses		49.23	51.69	54.27	56.99	59.84	62.83	65.97	69.27	72.73	76.37	80.19
I	Property Tax		8.40	8.66	8.91	9.18	9.46	9.74	10.03	10.33	10.64	10.96	11.29
J	Insurance Premium		1.23	1.27	1.31	1.35	1.39	1.43	1.47	1.51	1.56	1.61	1.66
K	Net Operating Income (NOI)		(18.98)	153.64	266.18	278.37	291.12	304.45	318.39	332.96	348.20	343.46	399.71
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	4,946.43	-
	Indirect Operating Expenses												
L	Brokerage Fees		17.66	24.96	-	-	-	-	-	-	-	14.47	-
M	Property Management Fee		0.94	5.78	9.26	9.67	10.11	10.56	11.04	11.54	12.05	11.87	13.83
N	Other operational expenses		0.53	3.27	5.24	5.47	5.72	5.98	6.25	6.53	6.82	6.72	7.82
O	Net Cashflows		(177.11)	30.64	251.69	263.23	275.29	287.91	301.10	314.90	329.32	5,256.84	378.06

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

Table 7.12: Discounted Cash Flow of Future Development– Data Centre Building (B8)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		621.51	742.91	458.90	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		-	24.54	299.15	311.12	323.56	336.50	349.96	363.96	378.52	393.66	409.41
B	Car Parking Income												
C	Fit-out rentals/ tenant improvements												
D	Facility Rentals		-	24.54	299.15	311.12	323.56	336.50	349.96	363.96	378.52	393.66	409.41
E	Maintenance services income		-	0.36	5.75	8.45	10.13	10.64	11.17	11.73	12.32	12.93	13.58
F	Other Operating Income		-	-	-	-	-	-	-	-	-	-	-
G	Revenue from Operations		-	24.90	304.90	319.56	333.70	347.14	361.14	375.69	390.84	406.60	422.99
	Direct Operating Expenses												
H	Maintenance services Expenses		-	0.91	2.87	4.22	5.07	5.32	5.59	5.87	6.16	6.47	6.79
I	Property Tax		-	3.03	7.50	7.72	7.95	8.19	8.44	8.69	8.95	9.22	9.50
J	Insurance Premium		-	0.44	1.10	1.13	1.17	1.20	1.24	1.27	1.31	1.35	1.39
K	Net Operating Income (NOI)		-	20.52	293.43	306.48	319.51	332.43	345.87	359.86	374.41	389.55	405.31
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	5,015.68	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	-	-	-	-	-	-	-	-	-	-
M	Property Management Fee		-	0.86	10.47	10.89	11.32	11.78	12.25	12.74	13.25	13.78	14.33
N	Other operational expenses		-	0.49	5.98	6.22	6.47	6.73	7.00	7.28	7.57	7.87	8.19
O	Net Cashflows		(621.51)	(723.74)	(181.93)	289.37	301.71	313.92	326.63	339.84	353.60	5,383.58	382.79

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

Table 7.13: Discounted Cash Flow of Completed Project - Data Centre Building (B10)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		75.00	-	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		276.58	287.64	299.15	311.12	323.56	336.50	349.96	363.96	378.52	393.66	409.41
B	Car Parking Income												
C	Fit-out rentals/ tenant improvements												
D	Facility Rentals		276.58	287.64	299.15	311.12	323.56	336.50	349.96	363.96	378.52	393.66	409.41
E	Maintenance services income		4.69	7.11	9.19	9.65	10.13	10.64	11.17	11.73	12.32	12.93	13.58
F	Other Operating Income		-	-	-	-	-	-	-	-	-	-	-
G	Revenue from Operations		281.27	294.76	308.34	320.77	333.70	347.14	361.14	375.69	390.84	406.60	422.99
	Direct Operating Expenses												
H	Maintenance services Expenses		2.35	3.56	4.60	4.83	5.07	5.32	5.59	5.87	6.16	6.47	6.79
I	Property Tax		7.07	7.28	7.50	7.72	7.95	8.19	8.44	8.69	8.95	9.22	9.50
J	Insurance Premium		1.04	1.07	1.10	1.13	1.17	1.20	1.24	1.27	1.31	1.35	1.39
K	Net Operating Income (NOI)		270.82	282.85	295.15	307.09	319.51	332.43	345.87	359.86	374.41	389.55	405.31
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	5,015.68	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	-	-	-	-	-	-	-	-	-	-
M	Property Management Fee		9.68	10.07	10.47	10.89	11.32	11.78	12.25	12.74	13.25	13.78	14.33
N	Other operational expenses		5.53	5.75	5.98	6.22	6.47	6.73	7.00	7.28	7.57	7.87	8.19
O	Net Cashflows		180.61	267.03	278.70	289.98	301.71	313.92	326.63	339.84	353.60	5,383.58	382.79

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

Table 7.14 Comparable Sales/ Quoted Instances Method (Comparative Matrix for Value Estimate for 1.96 acres of land earmarked for future development)

Attribute Ranking	Project Site	Comparable 1 (A1)	P/D	Comparable 2 (A2)	P/D
Location and Proximity to Development & Neighbourhood Profile	Located along Airoli Knowledge Park Road, Digha – Airoli West, TTC Industrial Area, Airoli, Navi Mumbai, Maharashtra 400708. Neighbourhood majorly comprises of Commercial and Residential developments.	Located off Thane Belapur Road, Digha Naka, Navi Mumbai, Maharashtra 400708. Neighbourhood majorly comprises of Industrial and Commercial developments.	0.0%	Located off Central Road N, Rabale, Navi Mumbai, Maharashtra 400701. Neighbourhood majorly comprises of Industrial and Commercial developments.	2.5%
Size of the Land Parcel (Acres)	1.96	6.50	2.5%	3.25	0.0%
Land Use and Zoning	Leasehold.	Leasehold.	0.0%	Leasehold.	0.0%
Availability of Similar Land Parcels	Low Availability in the micro market.	Low Availability in the micro market.	0.0%	Low Availability in the micro market.	0.0%
Site Development	Vacant Plot of land	Vacant Plot of land	0.0%	Vacant Plot of land	0.0%
Visibility and Frontage along the access road	Average Visibility & Frontage along access road	Good Visibility & Frontage along access road	-5.0%	Good Visibility & Frontage along access road	-5.0%
Accessibility to the Property	Good Access from Airoli Knowledge Park Road	Good Access from Digha MIDC road which directly connects to Thane Belapur Road.	0.0%	Good Access from Internal MIDC Road which in turn connects to Central N Road.	2.5%
General Attributes - Contiguity, Topography, Shape, HT Line, Open Drain, etc.	Property has flat terrain, contiguous in nature and regular in shape.	Property has flat terrain, contiguous in nature and regular in shape.	0.0%	Property has flat terrain, contiguous in nature and regular in shape.	0.0%
Price Appreciation / Margin for Negotiation		Transacted (Q1, 2021)	2.5%	Transacted (Q3, 2021)	2.5%
Transacted/Asking Value (INR per acre of Land Area)		210,000,000		185,000,000	
Total Adjustment			0.0%		2.5%
Adjusted Price per Unit (INR per acre)		210,000,000		189,625,000	

P - Premium, D – Discount

Table 7.15 Summary Valuation Analysis (Land Parcel 1~1.96 acres)

Particular	Values
Total Area of the Land Parcel (acre)	1.96
Unit Value of Land Parcel (INR Million per acre)	199.8
Discount for Limited Usage	45%
Unit Value of Land Parcel (INR Million per acre)	109.9
Total Value of the Land Parcel (INR Million)	215.4

Table 7.16 Net Land Value after adjusting for FSI (Land Parcel 1 ~1.96 acres)

Particular	Values
Market values of Land as per Comparable Approach (INR Million)	215.4
Additional FSI available (sq. m)	9,425
MIDC Land Rate (INR Per Sq. m)	20,750
Total FSI Value (INR Million)	58.7
Market Value (INR Million)	156.7
Market Value (INR Million Per Acre)	80.0

Table 7.17 Comparable Sales/ Quoted Instances Method (Comparative Matrix for Value Estimate for 6.42 acres of land earmarked for future development)

Attribute Ranking	Project Site	Comparable 1 (A1)	P/D	Comparable 2 (A2)	P/D
Location and Proximity to Development & Neighbourhood Profile	Located along Airoli Knowledge Park Road, Digha – Airoli West, TTC Industrial Area, Airoli, Navi Mumbai, Maharashtra 400708. Neighbourhood majorly comprises of commercial and Residential developments.	Located off Thane Belapur Road, Digha Naka, Navi Mumbai, Maharashtra 400708. Neighbourhood majorly comprises of Industrial and Commercial developments.	0.0%	Located off Central Road N,Rabale, Navi Mumbai, Maharashtra 400701. Neighbourhood majorly comprises of Industrial and Commercial developments.	2.5%
Size of the Land Parcel (Acres)	6.42	6.50	0.0%	3.25	-2.5%
Land Use and Zoning	Leasehold.	Leasehold.	0.0%	Leasehold.	0.0%
Availability of Similar Land Parcels	Low Availability in the micro market.	Low Availability in the micro market.	0.0%	Low Availability in the micro market.	0.0%
Site Development	Vacant Plot of land	Vacant Plot of land	0.0%	Vacant Plot of land	0.0%
Visibility and Frontage along the access road	Average Visibility & Frontage along internal Mindspace road	Good Visibility & Frontage along access road	-5.0%	Good Visibility & Frontage along access road	-5.0%
Accessibility to the Property	Access from Internal Mindspace Road	Good Access from Digha MIDC road which directly connects to Thane Belapur Road.	-5.0%	Access from Internal MIDC Road	0.0%
General Attributes - Contiguity, Topography, Shape, HT Line, Open Drain, etc.	Property has flat terrain, contiguous in nature and irregular in shape. In proximity to railway line.	Property has flat terrain, contiguous in nature and regular in shape.	-5.0%	Property has flat terrain, contiguous in nature and regular in shape.	-5.0%
Price Appreciation / Margin for Negotiation		Transacted (Q1, 2021)	2.5%	Transacted (Q3, 2021)	2.5%
Transacted/Asking Value (INR per acre of Land Area)		210,000,000		185,000,000	
Total Adjustment			-12.5%		-7.5%
Adjusted Price per Unit (INR per acre)		183,750,000		171,125,000	

P - Premium, D – Discount

Table 7.18 Summary Valuation Analysis (Land Parcel 2 ~ 6.42 acres)

Particular	Values
Total Area of the Land Parcel (acre)	6.42
Unit Value of Land Parcel (INR Million per acre)	177.4
Discount for Limited Usage	40%
Unit Value of Land Parcel (INR Million per acre)	106.4
Total Value of the Land Parcel (INR Million)	683.3

Table 7.19 Net Land Value after adjusting for FSI (Land Parcel 2 ~ 6.42 acres)

Particular	Values
Market values of Land as per Comparable Approach (INR Million)	683.3
Additional FSI available (sq. m)	20,600
MIDC Land Rate (INR Per Sq. m)	20,750
Total FSI Value (INR Million)	128.2
Market Value (INR Million)	555.1
Market Value (INR Million Per Acre)	86.5

Table 7.20 Cash Flow Projections of Power Distribution Services

		1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33	1-Apr-34	1-Apr-35	1-Apr-36	1-Apr-37	1-Apr-38
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36	31-Mar-37	31-Mar-38	12-Jun-38
Particular	Unit																
Revenue	INR Million	295.45	463.21	344.32	372.89	423.24	481.79	549.86	628.96	720.82	785.52	823.72	864.36	908.39	954.89	1003.9	213.91
Expense	INR Million	222.74	244.9	283.55	328.33	380.18	440.25	509.83	590.43	683.8	750.01	789.72	831.58	875.69	922.19	971.2	205.73
Planned Capex	INR Million	15.6	0.2														
Net Cashflow	INR Million	57.11	218.11	60.77	44.56	43.05	41.54	40.03	38.53	37.02	35.51	34	32.78	32.7	32.7	32.71	8.17

Annexure - 7

Material Litigations

1. Baburam Ramkishan Yadav ("Baburam"), president of Universal Education Society ("UES"), filed a suit and injunction application before the Court of Civil Judge (J.D.) Vashi at C.B.D. ("Civil Court Vashi") seeking injunction restraining Gigaplex from encroaching upon land admeasuring approximately 500 square meters on which a school is operated by UES ("Suit Property"), which is in the Mindspace Airoli West admeasuring approximately 202,300 square meters ("Larger Land").

Gigaplex denied the claims stating that inter alia Gigaplex was a lessee of MIDC in respect of the Larger Land, and that Baburam has illegally encroached upon about 250 square meters on the eastern boundary of the Larger Land. By its order dated August 20, 2018, the Civil Court rejected the injunction application ("Order"). Baburam has challenged the Order before the Court of District Judge Thane. The suit and appeal filed by Baburam are currently pending before the relevant courts.

Gigaplex filed a suit against UES and MIDC before the Court of Civil Judge (Senior Division) Thane at Thane ("Civil Court Thane"), inter alia for possession of 569.80 square metres or such area as may be found in unauthorized occupation of UES, damages of ₹ 10.80 million, mesne profits of ₹ 0.30 million per month till the recovery of possession and injunction to restrain from further trespassing on the land at Mindspace Airoli West. Subsequently, Gigaplex also filed an injunction application before the Civil Court Thane seeking, inter alia, a temporary injunction to restrain Universal Education Society, its trustees, office bearers etc. from trespassing and encroaching the Suit Property and the adjacent plot of land leased by MIDC to Gigaplex. In an interim application for injunction filed by Gigaplex, a status quo order was passed on July 26, 2019 by the Civil Court Thane. The status quo was continued by the Civil Court Thane till the final decision in the matter, through its order dated March 5, 2020, disposing of the injunction application. The suit is currently pending before the Civil Court Thane.

Baburam also filed a complaint before Rabale police station, Navi Mumbai, against a security guard in charge of Gigaplex for allegedly threatening him and damaging of a display board at the Suit Property. Baburam also issued a letter addressing the Commissioner of Navi Mumbai, the Police Commissioner of Navi Mumbai, the Chief Minister of Maharashtra and others, for harassment by security personnel of Gigaplex in the Suit Property. No action has been taken against Gigaplex in this regard.

(i) Criminal matters

Nil.

(ii) Regulatory actions

2. The Joint Director of Industries, Government of Maharashtra ("JDI") had issued a letter of intent dated July 26, 2007 ("LOI") to B. Raheja Builders Private Limited (now, Gigaplex Estate Private Limited) for establishing and registering an IT software unit for 'Software Development'. Subsequent to the letter from JDI, MIDC, by its letter dated June 30, 2009, intimated Gigaplex to register as an IT Park, being a private developer. Thereafter, the JDI, by its letter dated May 16, 2016 ("JDI Letter"), sought clarification from Gigaplex in relation to non-registration of the IT software unit within the stipulated timeline and sought to initiate action against Gigaplex under the IT/ITES policy. Gigaplex was in the process of completing the endorsement of the lease deed dated November 1, 2007 executed with MIDC in relation to the Mindspace Airoli West project, for payment of stamp duty, which remained with the relevant revenue authorities for endorsement, for submission to JDI. The lease deed was endorsed by the revenue authorities on September 11, 2019. By its letter dated October 9, 2019 to the JDI, Gigaplex has responded to the JDI Letter *inter alia* stating that (a) the land was granted by MIDC under lease deed dated November 1, 2007 for proposed I.T. software

unit (Software Development), but due to recession and other reasons, the erstwhile management of B. Raheja Builders Pvt. Ltd. decided to pursue development as private IT Park (instead of software development) with due approval of the Director Industry, IT, pursuant to the NOC issued by MIDC; (b) accordingly, Gigaplex has developed the land as private IT Park; and (c) Gigaplex also voluntarily approached the stamp authorities and paid the full stamp duty and registration fees in relation to the lease deed, and (d) the development of private IT Park was undertaken with due approval of Director of Industry (IT), Maharashtra and no benefit was received by it under the IT/ITES policy. No further correspondence has been received.

3. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 ("Income Tax Act") against Gigaplex ("Parties"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act directing them to prepare and furnish true and correct returns of total income for assessment years ("AY") from 2008-2009, 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department issued notices under Section 142(1)/143(2) of the Income Tax Act for assessment years 2008-2009, 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Parties from time to time. Post the Warrant, the assessment proceedings under section 153A of the Income Tax Act were initiated for AY 2008-09, AY 2012-13 to AY 2018-19. The assessment under section 143(3) read with section 153A of the Income Tax Act for AY 2012-13 to AY 2017-2018 and under Section 143(3) of the Income Tax Act, for AY 2018-2019 were completed. Gigaplex filed appeals before the CIT(A) against the order for AY 2012-13 to AY 2017-18 and against the order for AY 2018-19. The appeal for AY 2016-17 and AY 2017-18 were disposed by the CIT(A) in favour of Gigaplex. The appeals for AY 2014-15 and AY 2015-16 were disposed by the CIT(A) against Gigaplex and an appeal has been filed before the ITAT for the same. The same has been disposed by ITAT against Gigaplex. The Income Tax Department filed an appeal for AY 2016-17 and AY 2017-18 before ITAT against the order of the CIT(A) and the same was disposed by the ITAT in favour of Gigaplex.
4. Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") filed a petition dated October 16, 2018 against Maharashtra State Load Despatch Centre, wherein electricity distribution companies in Maharashtra including, MBPPL and Gigaplex (which hold electricity distribution licenses) and others, were impleaded as parties, before Maharashtra Electricity Regulatory Commission ("**MERC**") seeking payment of alleged past dues, removal of anomalies and directions regarding over-drawal of electricity. Through its final common order dated September 26, 2019, MERC partly allowed MSEDCL's prayer against which MSEDCL and one of the electricity distributions companies have filed separate appeals before the Appellate Tribunal for Electricity ("**APTEL**"). Pursuant to an order dated December 18, 2019, the APTEL instructed that notices be issued to respondents in the appeal, including Gigaplex and MBPPL. By an order dated September 15, 2020, interim applications for condonation of delay in filing the appeals were allowed. By an order dated September 14, 2022, the APTEL directed that the matter is already at the stage of hearing and that the appeals be included in the "*List of Finals of Court - I*" to be taken up from the list, in their turn. The appeals are pending before the APTEL.
5. The Joint District Registrar (Class I) and Collector of Stamps, Thane City, Thane ("**Lower Authority**") imposed a penalty of ₹ 87.65 million on Gigaplex under Section 39 of the Maharashtra Stamp Act, 1958 ("**MSA**") vide its letter dated August 12, 2022, and December 8, 2022. Gigaplex had sought partial denotification from IT/ITES SEZ into regular IT/ITES Park in relation to plot no. IT-5, Airoli Knowledge Park, TTC Industrial Estate, Village Airoli and Digha, District Thane in 2016. The deficit stamp duty on the transaction amounting to ₹ 39.8 million and registration fee of ₹ 0.02 million was submitted on December 9, 2016 but the penalty under Section 39 of the MSA from the date of execution of the document at the rate of 2% per month amounting to ₹ 87.65 million is still pending for payment. Being aggrieved by

the letter dated December 8, 2022, Gigaplex has filed an Appeal Case No. 29/2023 under section 53(1A) of the Maharashtra Stamp Act before the Inspector General of Registration and Controller of Stamps, Maharashtra State, Pune ("**IGR&CS**") with a prayer to issue directions to the Lower Authority to grant a no dues certificate for this partial de-notification. By its order dated March 13, 2023, IGR&CS observed that while the Lower Authority had imposed penalty as per Section 39 of the MSA, it failed to follow the procedure given therein and therefore the letter dated December 8, 2022 needs to be set aside. The IGR&CS held that it has no jurisdiction to entertain the said Appeal being premature, and directed the Lower Authority to follow the process contemplated under Section 39 of the MSA at the earliest.

6. Pursuant to a notice dated April 2, 2022 issued by the Commissioner of Police to M/s Genext Hardware & Parks Pvt. Ltd. in connection with payments made to certain companies belonging to Mr. Jitendra Chandralal Navalani, Gigaplex Estate Pvt Ltd ("**Gigaplex**") was requested to furnish certain clarifications/details which were submitted. Jitendra Navalani filed a Writ Petition in the Hon'ble Bombay High Court wherein Gigaplex was also joined as a Respondent. By an order dated July 6, 2022, the Hon'ble High Court disposed off the said Writ Petition in view of the statement made by the public prosecutor that the preliminary inquiry had been closed. There was a separate Writ Petition filed by the Directorate of Enforcement against the State of Maharashtra. The Bombay High Court by its order dated November 10, 2022, disposed off the said Writ Petition as withdrawn in view of the affidavit filed by the State of Maharashtra. Subsequently, the Addl Commissioner of Police, Anti-Corruption Bureau issued similar notice dated December 5, 2022 addressed to Gigaplex seeking details/information. Accordingly, representatives of Gigaplex submitted the required details/information etc by letters dated December 12, 2022, December 14, 2022 and December 19, 2022. Thereafter there has been no further communication or requisition in the matter. As per publicly available information we understand that the ACB has closed the case by classifying it as C summary, where the criminal case was registered due to mistake of facts, or the offence complained about is of a civil nature.

(iii) **Material civil/commercial litigation**

1. Kharghar Vikhroli Transmission Private Limited ("**KVTPL**") has filed a petition before Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") against Maharashtra State Electricity Transmission Company Limited ("**MSETCL**") and others (including Gigaplex and MBPPL as respondents) under the applicable provisions of the Electricity Act, 2003 read with the transmission service agreement dated August 14, 2019 ("**TSA**") entered between KVTPL, MSETCL, MBPPL, Gigaplex and certain other companies including distribution companies seeking, inter-alia, compensation/relief for increased cost of the project during construction period due to the 'change in law' event being increase in the acquisition price of shares of KVTPL (including the purchase cost of Vikhroli land). The total additional cost of the project claimed by KVTPL is ₹ 717.00 million along with 9.35% on compounded interest basis. The liability of Gigaplex is 0.05% i.e. the percentage share computed based on allocated transmission capacity rights as mentioned in the TSA. The MERC by its order dated August 2, 2022, partly allowed the petition granting KVTPL the additional cost of the project of ₹ 717.00 million without the carrying cost, in accordance with Article 12 of the TSA. KVTPL will be entitled to recover the impact of change in law after declaring the date of commissioning of the project in accordance with the provisions of the TSA without any carrying cost. KVTPL and MSEDCL have filed separate Appeals (Appeal No. 385 of 2022 and Appeal No. 393 of 2022 respectively) before the Appellate Tribunal for Electricity at New Delhi ("**APTEL**") against the MERC Order dated August 2, 2022. These appeals are pending before the APTEL for admission.
2. Gigaplex, KRC Infra and MBPPL ("**KRC DISCOMs**") had filed a petition dated December 16, 2021 before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") under Section 86 (1) (f) of the Electricity Act, 2003 ("**EA, 2003**") seeking approval for additional power purchase cost incurred over the period from October 11, 2021 to October 31, 2021 on account

of reasons beyond the control of the KRC DISCOMs. The MERC impleaded (i) M/s Kreate Energy India Pvt Ltd (“**KEIPL**”), (ii) Maharashtra State Load Despatch Centre; and (iii) Lloyds Metals and Energy Limited as Respondents in this matter. By an order dated November 8, 2022, the MERC partly allowed the petition, and directed KEIPL to pay ₹ 19.60 million to KRC DISCOMs within 15 days from the date of the order as compensation for increased power purchase expenses on account of illegal diversion of contracted power to third party. Further, the MERC directed the KRC DISCOMs to adjust such compensation amount in upcoming FAC computation as rebate in power purchase expenses. KEIPL filed an appeal (against the order in the Case No 1/MP of 2022 dated November 8, 2022 (“**Impugned Order**”) before the Appellate Tribunal for Electricity at New Delhi (“**APTEL**”) seeking stay on the Impugned Order dated November 8, 2022 (Appeal No. 428 of 2022). Hearing in the matter was held on 8th and 9th December 2022. By interim order dated December 22, 2022, APTEL granted stay of the Impugned Order under appeal, subject to fulfilment of the following conditions: (a) KEIPL shall, within three weeks from December 22, 2022, pay KRC DISCOMs ₹ 1.16 million; and (b) KEIPL shall in addition, within three weeks from December 22, 2022, furnish an unconditional bank guarantee from a Nationalised Bank in favour of the MERC, for an amount of ₹ 17.93 million and the bank guarantee, so furnished, shall be kept alive and in force during the pendency of the appeal and (c) the order further requires KEIPL to file an affidavit of compliance, of the aforesaid directions, with the Registry within four weeks from December 22, 2022. By an order dated January 17, 2023, the APTEL has recorded that a compliance affidavit had been filed by KEIPL in Appeal No. 428 of 2022, stating that the earlier order of the Tribunal, in IA No. 1951 of 2022 dated December 22, 2022 which required KEIPL to remit ₹ 1.16 million to the KRC DISCOMs and to furnish an unconditional bank guarantee in favour of MERC for a sum of ₹ 17.93 million has been complied with. The matter is pending before the APTEL.

3. Gigaplex, KRC Infra and MBPPL (“**KRC DISCOMs**”) had filed a petition before the MERC under Section 86 (1) f of the EA, 2003 against KEIPL for adjudication of dispute between KRC DISCOMs and KEIPL. KRC DISCOMs had entered into a power purchase agreement dated May 27, 2021 (PPA) with KEIPL for supply of power up to 14 MW, for the period from July 2021 to June 2022. However, KEIPL did not supply power to the KRC DISCOMs during the period from April to June 2022. During this period KRC DISCOMs had to procure the power from the other available sources at market rates. This resulted into additional power purchase cost ₹ 101 million to be incurred by KRC DISCOMs on account of material breach of the PPA by KEIPL. Therefore, the KRC DISCOMs have filed this petition (Case No. 162 of 2022) before the MERC seeking compensation of the entire additional power purchase cost incurred by them for the period from April 2022 to June 2022 due to KEIPL's failure to supply power under PPA. The first hearing in this matter was held on November 11, 2022. As directed in the Order dated November 11, 2022, KEIPL has filed its reply and the KRC DISCOMs have filed their rejoinder to the reply of KEIPL. The matter is pending before the MERC.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Paradigm Mindspace Malad, Mumbai

Maharashtra, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

30 April 2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name Paradigm Mindspace Malad, Mumbai, Maharashtra, India

Property Address Paradigm S. No. 1406A\18, Mindspace, Link Road, Malad, (West), Mumbai 400064

Land Area ~4.2 acres

Brief Description The property is located in the north-western part, in the Western Suburbs micro market of Mumbai City off the New Link Road. It is located at a distance of about 2.0 km from the Malad Suburban Railway Station, about 4.0 km from the Western Express Highway and about 2 km from Inorbit Mall Malad.

The property is developed as Grade A IT Park with two wings 1) Wing A comprising of 385,111 sq. ft of leasable area and 2) Wing B comprising of 345,768 sq. ft of leasable area. The main entrance to the Project Site is from Zakeria Road. Further, the IT building is also facilitated with a separate gate which is accessible from Zakeria Road.

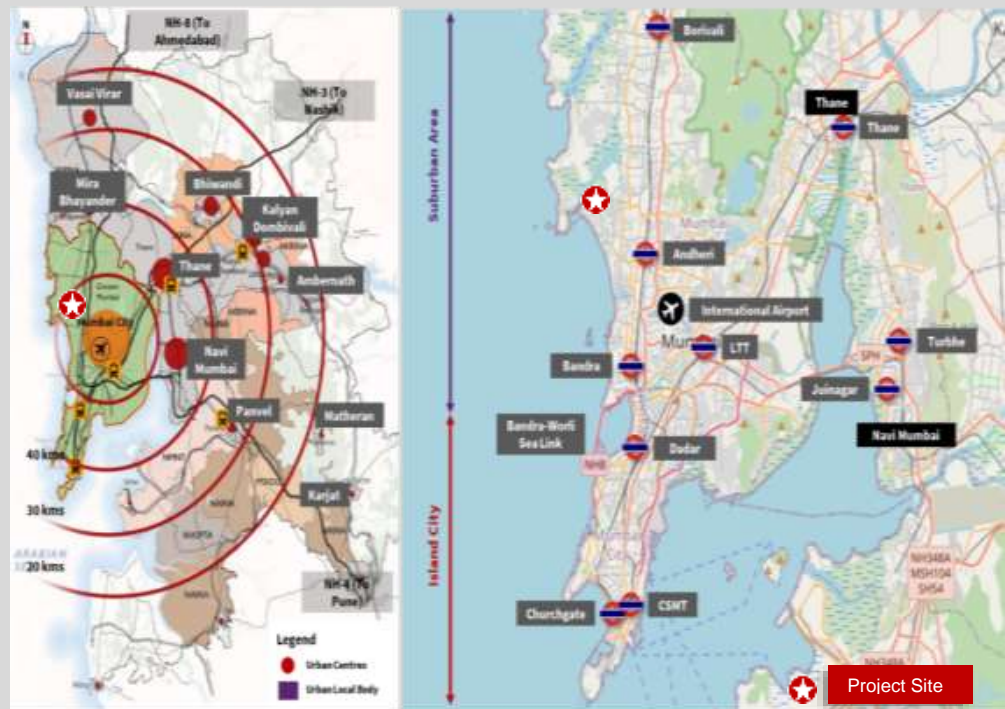
The property is surrounded by mixed use development comprising residential, retail and commercial developments.

Asset Details Leasable area details as shared by the Client is given below:

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Paradigm A – IT Building	385,111
2.	Paradigm B – IT Building	345,768
	Total Leasable Area	730,879

Based on the site inspection, IT Building is fully completed and operational. The IT building facade is currently undergoing a refurbishment process.

Location Map



Key Assumptions

The table below summarizes key valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	IT (Non SEZ)
Current Status	Completed and Operational
Total Leasable Area	730,789 sq. ft
Year of Completion / Operation	2004
Revenue Assumptions	
In-Place Rent	INR 94.2 per sq. ft per month
Market / Marginal Rent	INR 92.0 per sq. ft. per Month
Parking Rent	INR 5,000 per CPS per month
Financial Assumptions	
Exit Cap Rate	8.00%
Discount Rate / WACC	11.75%

Market Value

For Completed Project: **Total Market Value - INR 10,581.71 million** (INR Ten Billion Five Hundred Eighty One Million Seven Hundred and Ten Thousand Only)

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LIST OF ABBREVIATIONS

CBD	Central Business District
IT / ITES	Information Technology / IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
km	Kilometre
NH	National Highway
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft	square feet
sq. m	square metre

CONVERSION OF UNITS

1 acre	43559.66 sq. ft
1 acre	4046.9 sq. m
1 sq. m	1.196 sq. yards
1 sq. m	10.764 sq. ft
1 metre	1.0936 yards
1 metre	3.28 ft
1 cent	435.6 sq. ft

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project named '**Paradigm Mindspace Malad (Paradigm A and B buildings)**' located in **Malad, Mumbai**, Maharashtra, India (hereinafter referred to as the 'Project'). The Project is an operational IT Park having leasable area of about 0.7 million sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Paradigm A – IT Building	385,111
2.	Paradigm B – IT Building	345,768
	Total Leasable Area	730,879

Source: Client, 31st March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and / or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master's in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal Institution of Chartered Surveyors ("RICS"), Fellow and Lifetime Member of Institute of Valuers, India ("IOV"), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER'S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he / she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 03 April 2023 by the Valuer in the presence of Client-nominated representative and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 GENERAL COMMENT

A valuation is an estimation 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment

material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party / respondent to such claim and he shall not object to his inclusion as a necessary party / respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse / refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party / respondent. If the Valuer does not cooperate to be named as a party / respondent to such claims in providing adequate / successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification / validation of the zoning regulations / development controls with any government departments / authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data / information provided by the Client and estimate has limited coverage wherever full data / information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Estimate of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and / or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents / information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,

International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved, completed & operational commercial, office space, the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan / Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5% - 11.5% to about 7.5% - 8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed / public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted an exit cap rate of 8.00% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3. DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

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 for under-construction / future development properties. The Valuer has considered a risk premium of 125bps, to derive the WACC of 13.00% for under construction / future development properties.

These derived discount rates were found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Paradigm Mindspace Malad, Mumbai, Maharashtra, India																
Property Address	Paradigm S. No. 1406A\18, Mindspace, Link Road, Malad, (West), Mumbai 400064																
Land Area	~4.2 acres																
Brief Description	<p>The property is located in the north-western part, in the Western Suburbs micro market of Mumbai City off the New Link Road. It is located at a distance of about 2.0 km from the Malad Suburban Railway Station, about 4.0 km from the Western Express Highway and about 2 km from Inorbit Mall Malad.</p> <p>The property is developed as Grade A IT Park with two wings 1) Wing A and 2) Wing B comprising 730,879 sq. ft of leasable area. The main entrance to the Project Site is from Zakeria Road. Further, the IT building is also facilitated with a separate gate which is accessible from Zakeria Road.</p> <p>The property is surrounded by mixed use development comprising residential, retail and commercial developments.</p>																
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table border="1"> <thead> <tr> <th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Paradigm A – IT Building</td><td>385,111</td></tr> <tr> <td>2.</td><td>Paradigm B – IT Building</td><td>345,768</td></tr> <tr> <td></td><td>Total Leasable Area</td><td>730,879</td></tr> </tbody> </table> <p>Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.</p>		Sl.	Building Name	Leasable Area (sq. ft.)	1.	Paradigm A – IT Building	385,111	2.	Paradigm B – IT Building	345,768		Total Leasable Area	730,879			
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	Total Leasable Area	730,879															
Valuation Methods	<p>The estimate of Market Value is prepared using following methods:</p> <table border="1"> <thead> <tr> <th>Sl - No.</th><th>Asset Type</th><th>Methodology Adopted</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Completed Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr> </tbody> </table>		Sl - No.	Asset Type	Methodology Adopted	1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion									
Sl - No.	Asset Type	Methodology Adopted															
1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion															
Nature of the Interest by the Client	100% freehold interest in the Project as informed by the Client																
Purchase Price of the Project	INR 8,205 million, as given by the Client																
Historical Valuation of the Project in 3 Previous Years	<p>Below table summarizes historical valuation of the Project as given by the Client:</p> <table border="1"> <thead> <tr> <th>Sl.</th><th>Date of Valuation</th><th>Market Value (INR Mn)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>30-Sep-2022</td><td>10,218 (Completed)</td></tr> <tr> <td>2.</td><td>31-Mar-2022</td><td>10,136 (Completed)</td></tr> <tr> <td>3.</td><td>30-Sep-2021</td><td>9,881 (Completed)</td></tr> <tr> <td>4.</td><td>31-Mar-2021</td><td>9,569 (Completed)</td></tr> </tbody> </table>		Sl.	Date of Valuation	Market Value (INR Mn)	1.	30-Sep-2022	10,218 (Completed)	2.	31-Mar-2022	10,136 (Completed)	3.	30-Sep-2021	9,881 (Completed)	4.	31-Mar-2021	9,569 (Completed)
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4.	31-Mar-2021	9,569 (Completed)															

	5.	30-Sep-2020	9,311 (Completed)
	6.	31-Mar-2020	9,409 (Completed)
Ready Reckoner Rate	Built-up Area (Office) – INR 201,260 per sq. mt Land Area – INR 80,060 per sq. m		
Date of Valuation	31-Mar-2023		
Date of Inspection	03-Apr-2023		
Market Value as on 31-Mar-2023	Total Market Value - INR 10,581.71 million (INR Ten Billion Five Hundred Eighty One Million Seven Hundred Ten Thousand Only)		
Matters Affecting the Property and its Value	Please refer to Chapter 7 of this Valuation Report		
Assumptions, Disclaimers, Limitations and Qualifications	This Valuation Report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report, which are made in conjunction with those included within the Assumptions, Limitations & Qualifications section located within this report. Reliance on this report and extension of Valuer's liability is conditional upon the reader's acknowledgement and understanding of these statements. This Valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party, who may use or rely on the whole or any part of the content of this Valuation Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Project		
Prepared by	KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164) Represented through its Director Mr. Sachin Gulaty FRICS FIV FIIA IBBI/RV/02/2021/14284		



Name: Sachin Gulaty FRICS FIV FIIA

Designation: Director

Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND / OR PROJECT

The table below presents details of the Project Site and/or Project

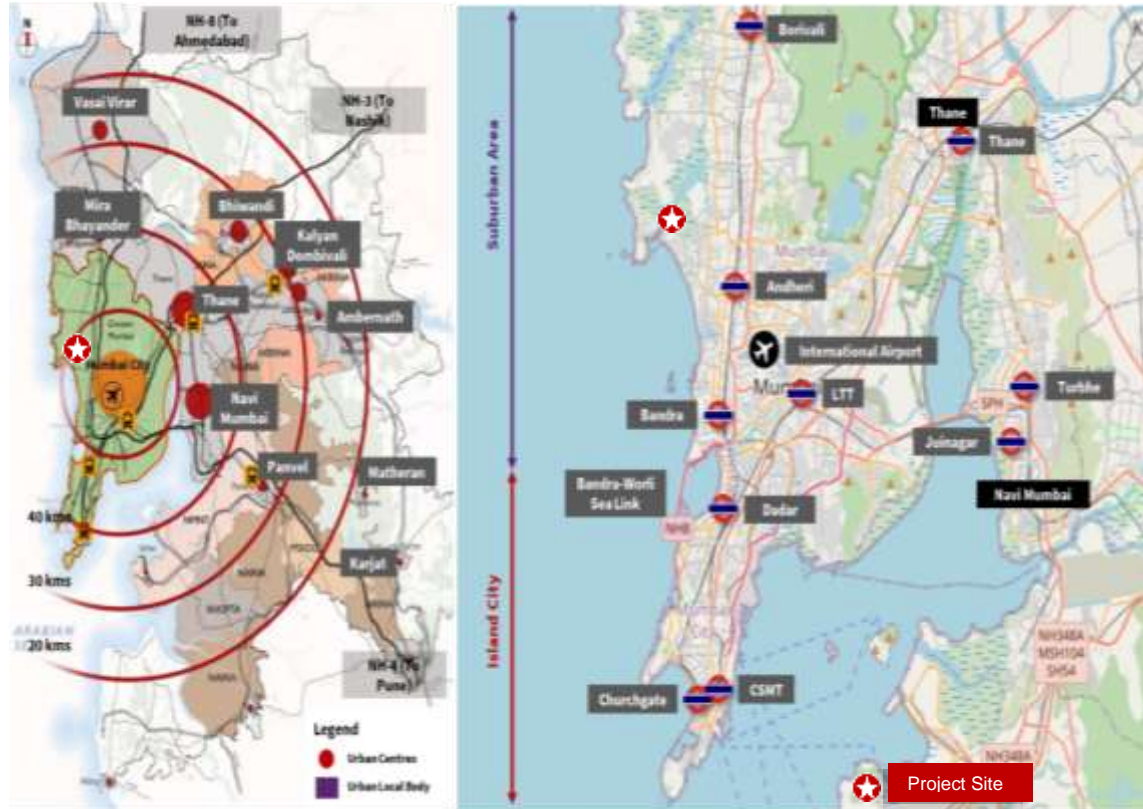
Table 5.1: Details of the Project Site and/ or Project

DETAILS OF PROPERTY		
Property Name	Paradigm Mindspace Malad, Mumbai, Maharashtra, India	
Property Address	Paradigm S. No. 1406A\18, Mindspace, Link Road, Malad, (West), Mumbai 400064	
Land Area	~4.2 acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sl.	Building Name
	1.	Paradigm A – IT Building
	2.	Paradigm B – IT Building
		Total Leasable Area
		Leasable Area (sq. ft.)
	Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.	
Access	Accessible through approx. 15m wide Zakeria Road	
Frontage	Approximately 160 m. frontage along Zakeria Road	
Shape and Visibility	The topography of the project features terrain that is relatively flat and is regular in shape. It has excellent visibility from Zakeria Road.	
Approval Status	List of approvals are specified in annexure.	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The property is located in the north-western part, in the Western Suburbs micro market of Mumbai City off the New Link Road. It is located at a distance of about 2.0 km from the Malad Suburban Railway Station, about 4.0 km from the Western Express Highway and about 2 km from Inorbit Mall Malad. The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to Mumbai City



Source: Real Estate Market Research & Analysis; JLL, March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Malad Suburban Railway Station	2.0
Mumbai International Airport	15.5
Western Express Highway	4.0
Inorbit Mall Malad	2.0

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as commercial / office space off New Link Road in Malad. The Project is surrounded by mixed use developments comprising residential, retail and commercial asset classes. The Project is spread across 4.2 acres of land. The Project has good frontage along the access road and has two (2) entrances. The topography of the project features terrain that is relatively flat and is regular in shape. The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of the Project and its Surrounding Developments

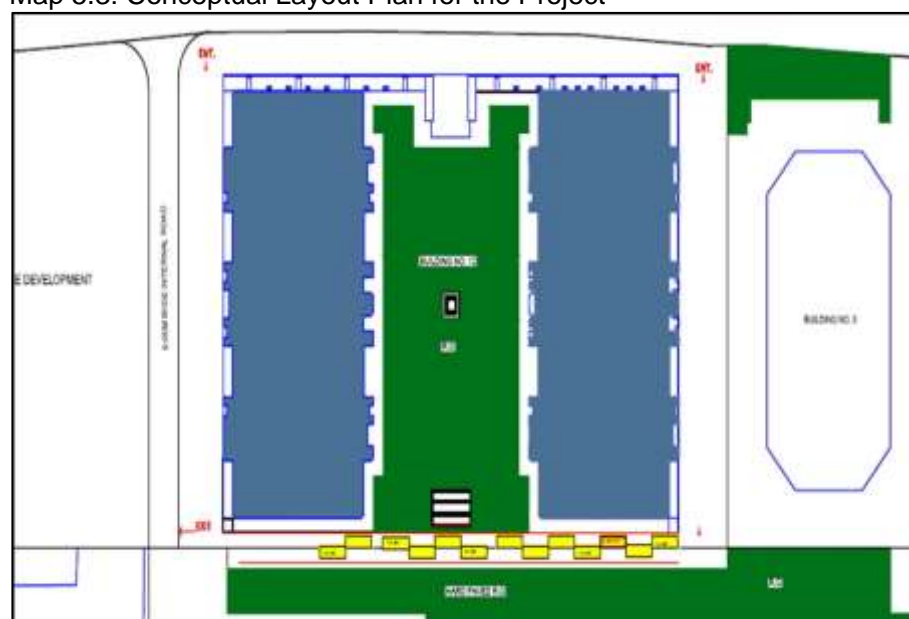


Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The Project Site is located in the Western Suburbs micro market. This micro market is conveniently located between the southern belt and peripheral western belt and is well connected to various locations through Western Express Highway. With the development of upcoming and proposed infrastructure projects like the Western Coastal Road, metro lines starting from Dahisar and connecting Andheri and Santacruz Electronics Export Processing Zone (SEEPZ) to Nariman Point, etc. the connectivity is expected to be enhanced in the near future.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, 31st March 2023

The table below presents the boundary / edge conditions of the Project Site.

Table 5.3: Project Site and its Site Boundaries

North	Zakeria Road
South	Mindspace Garden
West	MDP Road
East	Commercial development

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The Project is predominantly surrounded by commercial, residential and hospitality developments in the vicinity. Grade A commercial / office developments and premium residential developments are also present in the micro market.

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 730,879 sq. ft spread across two (2) buildings (Paradigm A and B). All building blocks are completed and operational and are Non SEZ buildings. The topography of the project features terrain that is relatively flat and is regular in shape. The Project is predominantly surrounded by commercial, residential and hospitality developments in the vicinity. Grade A commercial / office developments and premium residential developments are also present in the micro market.

The table in the following page presents details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Paradigm A	385,111
2.	Paradigm B	345,768
	Total Leasable Area	730,879

Source: Client, 31st March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Amenities
- Total utility areas and internal roads
- Total open spaces

The table below presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project

Particulars	Description
Name of the Entity	Avocado Properties and Trading (India) Private Limited
Interest owned by Mindspace REIT	Project Site is wholly owned by Avocado Properties and Trading (India) Private Limited which is 100% owned and controlled by the Mindspace REIT ¹
Land Extent	~4.2 acres
Asset Type	IT Park with Non SEZ buildings
Sub-Market	Western Suburbs

Particulars	Description		
Approved and Existing Usage	IT Non SEZ		
Age of Building based on the Date of Occupancy Certificate ²	Sl.	Building Name	Age of the Building
	1.	Paradigm A	~18 years and 8 Months
	2.	Paradigm B	~18 years and 6 Months
Current Status	IT Building – Completed and Operational		
Approvals Status	List of approvals are specified in Annexure		
Freehold / Leasehold	The underlying land is taken on freehold basis		
Leasable Area	0.7 million sq. ft		
Occupied Area	0.7 million sq. ft		
Committed Area	0.7 million sq. ft		
Occupancy ³	97.9%		
Committed Occupancy ⁴	97.9%		
Number of Tenants	13		

¹ Refer company structure set out in Annexure 1

² Client has obtained occupation certificate for entire leasable area measuring 0.7 million sq. ft

³ Occupancy refers to proportion of area leased, which is actively occupied by the tenants / occupiers

⁴ Committed occupancy also includes area, which has been pre-leased to tenants / occupiers

5.5 PROJECT INSPECTION

The Project is part of a larger campus having total leasable area of 730,879 sq. ft spread across two (2) buildings (Paradigm A and B). All building blocks are completed and operational and are Non SEZ buildings, as on the date of inspection by the Valuer. The Project was inspected by the Valuer on 3rd April 2023.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

The visual inspection of the buildings revealed ongoing repair and maintenance work in both the buildings. The utility areas appeared well maintained, visually. No instances of any major logging or water accumulation were observed during the inspections. The inspections 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.

Some photographs of the Project and surroundings are given below



External Views of Buildings



External Views of Buildings



Internal Views of Buildings



Internal Views of Buildings



View of Parking



View of Parking



View of Services



View of Services



5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details and age of structure and type of building is summarized in the table below:-

Table 5.6: Area Details and Age of Structure

Sr No.	Building Name	Leasable Area (In Sq. Ft.)	Usage Type	Status	Age of Building
1.	Paradigm A	385,111	Non SEZ	Completed	>18 years
2.	Paradigm B	345,768	Non SEZ	Completed	>18 years

Developable Area of the Project

The total site area of the project is ~4.2 acres with total leasable area of 0.73 mn sq. ft under two (2) buildings (Paradigm A & B)

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. Maintenance and repair work is ongoing for both the buildings.

Below mentioned properties are undergoing upgradation / further development the budget and cost incurred details for the same are as follows:

The Project has approx. 0.7 mn sq. ft leasable area under two buildings and is fully completed and operational. Thus, no pending cost to complete is factored as of date of valuation for the Project. However, there is upgrade CAPEX to the tune of approx. INR 169 million which shall be completed by Q1 FY25.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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 Project is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster. The Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low risk of flooding and perennial water logging.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer (which are specified in Annexure 7), relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS

Tenant Profile of Top 10 Tenants

As on 31st March 2023, the Project has 13 tenants (for office space) which include J P Morgan, Tech Mahindra, Smartworks, Firstsource Solutions, etc. The Project's top 10 tenants account for ~99% of the Gross Rental income. The top 10 Tenants as per Leasable areas is listed below: -

Table 5.7: Top 10 Tenants as per Leasable areas*

Sr No.	Tenant	Leasable Area (Sq Ft)
1	J.P Morgan Services India Pvt. Ltd.	255,326
2	Firstsource Solutions Ltd	145,992
3	Smartworks Coworking Spaces Pvt. Ltd.	100,086
4	Tech Mahindra	82,000
5	Convergys India Services Pvt. Ltd.	50,055
6	Travelex India Pvt. Ltd.	31,000
7	NY VFXWAALA LLP	20,862
8	MAIA Hospitality and Entertainment	11,262

Sr No.	Tenant	Leasable Area (Sq Ft)
9	Foodlink F&B Holdings (India) Pvt. Ltd	5,385
10	Alphasense Technology (I) Pvt. Ltd.	4,750
	Total	706,718

* Includes contracted areas for which rent may start at a future date

The top 10 Tenants as per Gross Rents are listed below: -

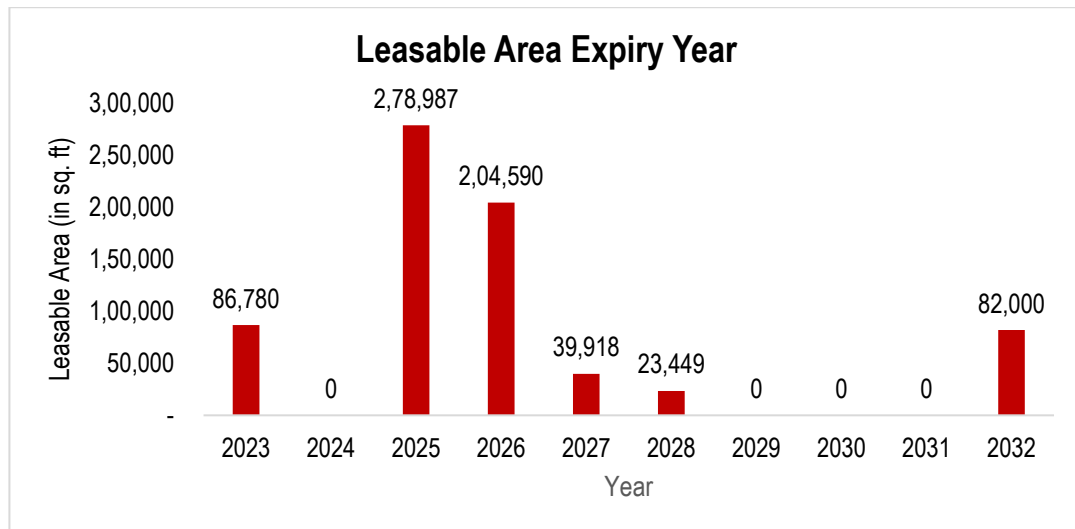
Table 5.8: Top 10 Tenants as per Gross Rentals*

Sr No.	Tenant	Share of Gross Rentals
1	J.P Morgan Services India Pvt. Ltd.	36.0%
2	Firstsource Solutions Ltd	21.8%
3	Smartworks Coworking Spaces Pvt. Ltd.	13.4%
4	Tech Mahindra	10.7%
5	Convergys India Services Pvt. Ltd.	6.6%
6	Travelex India Pvt. Ltd.	3.9%
7	NY VFXWAALA LLP	3.2%
8	MAIA Hospitality and Entertainment	1.7%
9	Foodlink F&B Holdings (India) Pvt. Ltd	0.9%
10	Alphasense Technology (I) Pvt. Ltd.	0.6%
	TOTAL	98.9%

* Includes contracted areas for which rent may start at a future date

Lease Expiry Analysis

The WALE of the property basis area is 3.2 years, with 78% of occupied area expiring between CY 2023 and CY 2026 as shown in the chart below:



Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 5% every year or 15% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Mumbai is the financial capital, an economic powerhouse and one of the key industrial hubs of India. Mumbai is not only home to leading corporate houses and global firms but also to Asia's oldest stock exchange — Bombay Stock Exchange (BSE). According to The Economic Survey of Maharashtra, The Mumbai Metropolitan Region (MMR) contributed about 6.1% to the total GDP of the country in FY 2022. It is the top contributor to the country's exchequer and is expected to account for almost 1/3rd of India's overall tax collection for the financial year ending March 2023. It is also one of the most expensive real estate markets in India, with rents and capital values in the key office sub-markets being some of the highest in the country. Mumbai also has the second-highest office stock in India after Bengaluru. Since 2018, it has been ranked amongst the top 20 cities in JLL's City Momentum Index for its strong real estate demand dynamics.

Mumbai city continued to register a strong comeback in Q1 2023 after the COVID-19 pandemic, even as the global headwinds of geopolitical tensions, declining global growth forecasts and inflation, both domestically and internationally, lingered. In terms of COVID-related restrictions, almost all non-essential activities resumed and were operating normally during the quarter. Both public and private offices are allowed to operate at full capacity and on a 24x7 basis, where applicable, provided the workers' timings are staggered and employees are fully vaccinated. Although the state government has relaxed the restrictions for private offices, they were still operating at only 70–80% capacity.

During the quarter, retail, hospitality and real estate, which are large contributors to the city's economy and employment, continued to gain momentum. Residential and commercial real estate activities were also operating at full pace as demand for homes continued to remain strong and increased demand for office space by existing as well new occupiers from new-age industries also emerged. The city's economy is likely to continue its growth momentum as 100% employees return to offices and domestic demand increases further.

6.3 INFRASTRUCTURE INITIATIVES

Existing infrastructure

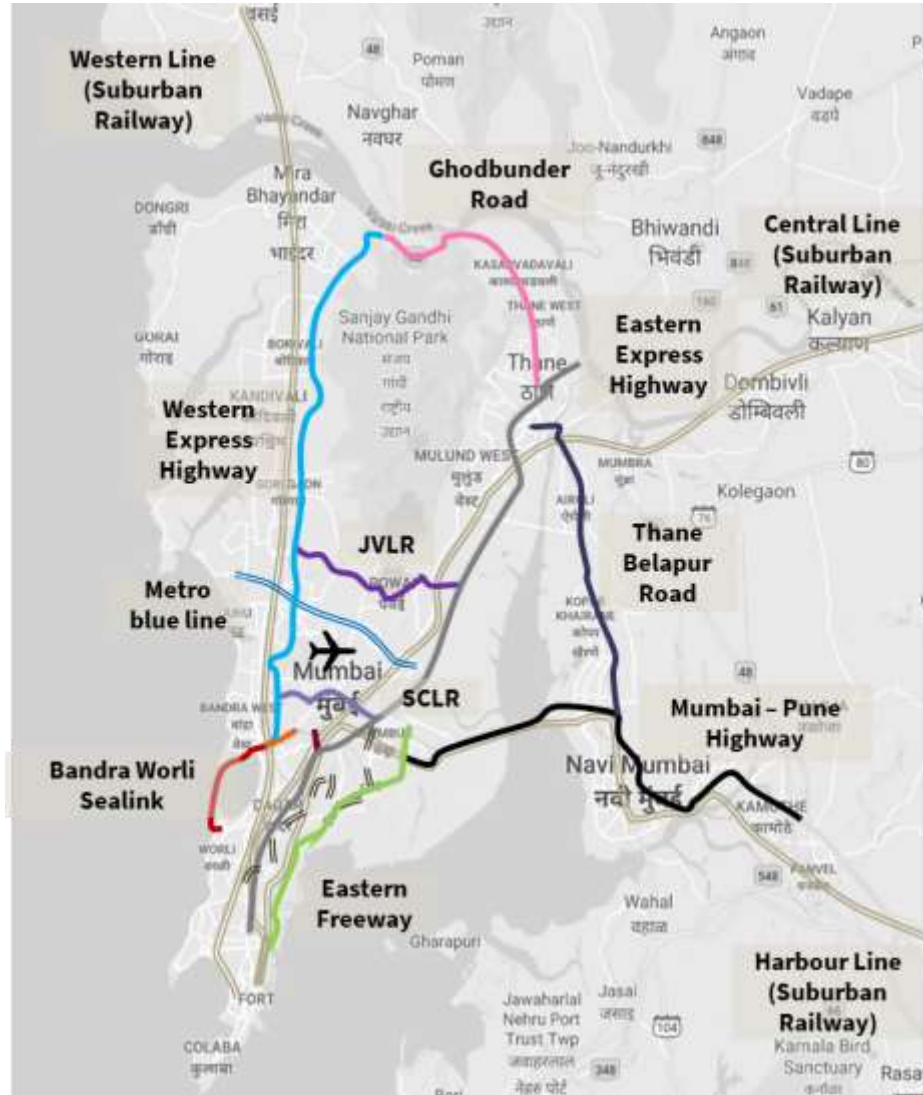
Existing Project	Completion timeline	Details	Key impact zones
Bandra Worli Sealink	2009	5.6 km long, 8-lane wide bridge that links Bandra with South Mumbai.	SBD Central, BKC & Annex and BKC Outskirts
Sealink to Bandra Kurla Complex (BKC) Connector	2021	604 meter long, two-lane flyover	BKC & Annex and BKC Outskirts
BKC – Eastern Express Highway Connector	2019	1.6 km connector from G Block of BKC to the EEH	BKC & Annex, BKC Outskirts and Eastern Suburbs
Western Express Highway (WEH)	2002	North-south 8-10 lane arterial road of 25.33 km	BKC & Annex, BKC Outskirts, Western Suburbs and Malad-Goregaon
Eastern Express Highway (EEH)	2013	23.55 km city express highway	BKC & Annex, BKC Outskirts and Eastern Suburbs
Eastern Freeway	2013	16.8 km long controlled-access highway	CBD, SBD Central and Eastern Suburbs
JVLR (Jogeshwari Vikhroli Link Road)	1994	10.6 km long 6 lane road connecting the WEH and EEH	Western and Eastern Suburbs and Malad-Goregaon
SCLR (Santacruz Chembur Link Road)	2014	6.45-kilometre-long (4.01 mi) arterial road connecting WEH and EEH	BKC Outskirts, and Eastern suburbs
Ghodbunder Road	NA		Thane
Thane Belapur Road	NA	The road has been widened to a total of 6 lanes	Thane and Thane-Belapur Road
Mumbai – Pune Highway	2002	6-lane wide tolled expressway spanning a distance of 94.5 km	Thane-Belapur Road, Navi Mumbai Others
Western Line (Suburban Railway)	1853	Consists of 37 stations from Dahanu Road to Churchgate railway station.	CBD, BKC & Annex, BKC Outskirts, SBD Central, Western Suburbs, Malad-Goregaon
Central Line (Suburban Railway)	1853	Consists of 24 stations from Chhatrapati Shivaji Maharaj Terminus to Kalyan	CBD, SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs, Eastern Suburbs, Thane
Harbour Line (Suburban Railway)	1910	The Harbour line is a branch line of the Mumbai Suburban Railway	CBD, SBD Central, Thane-Belapur Road and Navi Mumbai Others
Monorail Line 1 (Jacob Circle – Wadala)	2014	20.21 km line and is fully elevated	SBD Central
Chhatrapati Shivaji Maharaj International Airport	1942	It has two operating terminals spread over 750 hectares handling 950 aircraft per day.	Western Suburbs, Malad-Goregaon

Upcoming infrastructure

Submarket of Thane-Belapur Road and Navi Mumbai Others will benefit from the proposed Navi Mumbai international airport. A proposed airport would positively impact the real estate market in Navi Mumbai by improving area's commercial value, mainly through generating employment opportunities. Furthermore, it will also ease the burden on Mumbai's Chhatrapati Shivaji International Airport (CSIA) which accounts for over 25% of the entire air traffic in India.

Submarkets like CBD, SBD Central and Western Suburbs and Malad-Goregaon will benefit from the coastal road project. It will help improve the connectivity and reduce the commuting time by 70%. Further, it will create easy access to the commercial hotspots of South Mumbai. Most importantly, it will decongest the expressway and local railways. This will lead to an uptick in the housing demand in the nearby suburbs and boost property prices.

Mumbai - Map of existing and upcoming infrastructure



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

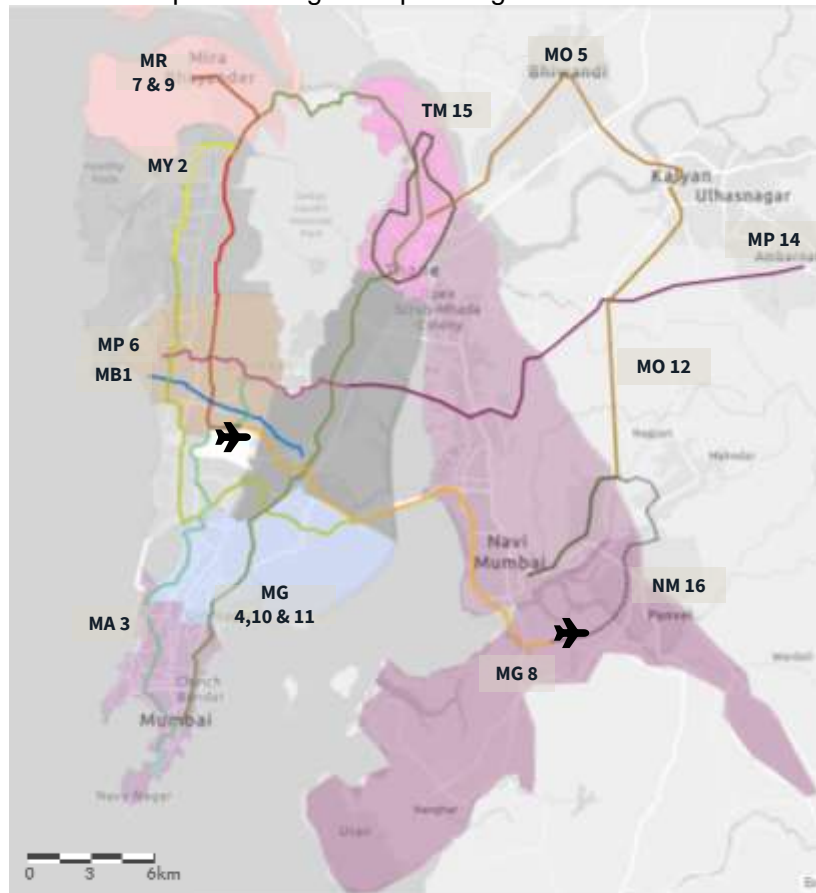
Upcoming Metro Lines - Mumbai

Upcoming Project		Completion timeline	Details	Key Impact Zones
Metro Yellow line 2A and B	MY 2	2022 & 2023	Dahisar – Andheri West – Mankhurd	Western Suburbs and Malad-Goregaon
Metro Aqua line 3	MA 3	2023	Colaba-Bandra-SEEPZ	CBD and SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs
Metro Green Line 4	MG 4,10,11	2024	Wadala – Kasarvadavali – Gaimukh	Eastern Suburbs and Thane

Upcoming Project		Completion timeline	Details	Key Impact Zones
Metro Orange Line 5	MO 5	2024	Thane – Bhiwandi – Kalyan	Thane
Metro Pink Line 6	MP 6	2024	Lokhandwala – Jogeshwari – Kanjurmarg	Western and Eastern Suburbs,
Metro Gold Line 8	MG 8	2026	CSMIA T2 – NMIA (indicative)	Western Suburbs, Thane-Belapur Road, Navi Mumbai Others and Malad-Goregaon
Metro Red Line 9	MR 7 & 9	2024	Dahisar – Mira Bhayandar	Malad-Goregaon
Metro Green Line 10	MG 4,10,11	2025	Gaimukh – Shivaji Chowk (Mira Road)	Thane
Metro Green Line 11	MG 4,10,11	2025	Wadala – CSMT	SBD Central and CBD
Metro Orange Line 12	MO 12	2025	Kalyan – Dombivali – Taloja	Navi Mumbai Others
Metro Magenta Line 14	MM 14	2026	Vikhroli – Badlapur (indicative)	Eastern Suburbs and Thane
Thane Metro	TM 15	2026	Raila Devi – New Thane (indicative)	Thane
Navi Mumbai Metro	NM 16	2024	Belapur – NMIA (indicative)	Thane-Belapur Road and Navi Mumbai Others

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Mumbai - Map of existing and upcoming metro line



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

6.4 MUMBAI - OFFICE SUBMARKETS

Submarket	Locations	
CBD	Nariman Point, Churchgate, Fort, Ballard Estate, Cuffe Parade	
SBD Central	Lower Parel, Dadar, Worli, Prabhadevi, Parel, Mahalaxmi	
BKC & Annex	BKC	
BKC Outskirts	Kalina, Kurla, Bandra East, Santacruz East	
Western Suburbs	Andheri East, Jogeshwari, Andheri West	
Malad-Goregaon	Goregaon, Malad, Borivali	
Eastern Suburbs	Powai, LBS Marg, Ghatkopar, Vikhroli, Mulund, Sion	
Thane	Wagle Estate, Ghodbunder Road	
Thane-Belapur Road	Airoli, Mahape, Khoparkhairane, Turbhe, Juinagar, Nerul, CBD Belapur	

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Leasing Activity

City Market Trends

	Total Stock (mn sq. ft)	Net Absorption (mn sq. ft)				Vacancy (%)	
		Q1 2023	Q4 2022 (Q-o-Q Change)	Q1 2022 (Y-o-Y change)	Q1 2023	Q4 2022 (Q-o-Q Change)	Q1 2022 (Y-o-Y change)
Overall	125.0	1.0	42.2%	-5.3%	19.0%	-70 bps	-190 bps
CBD	5.0	0.0	202.9%	NA	9.6%	-70 bps	-110 bps
SBD Central	17.0	0.4	111.2%	28.0%	25.6%	-210 bps	280 bps
BKC & Annex	9.3	0.03	-52.2%	69.6%	8.8%	-40 bps	220 bps
BKC Outskirts	7.4	0.11	26.9%	75.2%	13.9%	-150 bps	-1,090 bps
Western Suburbs	20.2	0.1	299.2%	-63.4%	17.4%	-60 bps	40 bps
Malad-Goregaon	17.1	0.0	-127.9%	-90.2%	14.3%	-10 bps	-40 bps
East Suburbs	15.7	0.1	-272.1%	-51.9%	15.3%	-40 bps	60 bps
Thane	8.9	0.0	-51.6%	-91.3%	17.2%	-10 bps	660 bps

Thane-Belapur Road	20.0	0.3	-33.0%	752.9%	23.2%	-70 bps	-300 bps
Navi Mumbai Others	4.2	0.02	NA	NA	59.1%	-40 bps	-250 bps

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The city's office leasing activity continued to gain momentum in Q1 2023 as most businesses resumed operations and the intensity of work-from-home reduced with the return of employees to the office, albeit with minimal restrictions still in place. While the phased reopening began in the second half 2021, accelerated revival in market conditions was witnessed, especially towards the end of 2022. However, we did see occupiers becoming cautious as a slowdown in global economy and high inflation levels prevailed. The quarter witnessed sluggish leasing activity of 1.5 million sq ft (Gross Leasing Volume) as compared to the previous quarter with 3.3 million sq ft. However, the GLV for the quarter was at par with the pre pandemic levels, thanks to some resilience from the Manufacturing/Industrial, Consulting, BFSI and IT/ITeS sectors. During the quarter, the Thane-Belapur Road, BKC & Annex, BKC Outskirts, Western Suburbs and SBD Central sub-markets were the most active and saw better leasing activity when compared to other sub-markets. Mumbai office space saw a net absorption of 1.01 million sq ft in Q1 2023, which was 42% higher q-o-q. A major part of this net absorption was attributable to the office space take-up in projects recently completed in 2021–2022.

Leasing activity gained momentum as the pandemic-induced restrictions were scaled back, and also due to strong performance by domestic industries and an increase in the percentage of employees returning to the office. Enquiries for new office space and expansion-driven space increased during the quarter. Co working operators continued to take-up space as demand for managed workspaces gathered momentum. All major pre-commitments remained intact; moreover, some occupiers exercised their hard option to take additional space. Office space leasing activity during the quarter was mostly driven by large to medium-sized deals. Redbrick Offices Ltd. leased additional 17,537 sq ft in Kaledonia in Western Suburbs and Executive Centre renewed 10,829 sq ft in The Capital, in BKC & Annex. Within the Non-IT category, Aditya Birla Finance leased 76,004 sq ft at G Corp Tech Park, Thane and in the IT/ITeS category Hi Solutions renewed 89,759 sq ft in Hiranandani Business Park Lighthall B in Western Suburbs.

Post COVID the city has witnessed increased demand by the occupiers from the medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. In 2023, we expect demand to outpace supply, leading to a decrease in vacancy levels.

Vacancy

Quarterly net absorption outpaced new supply and pushed the vacancy rate down to 19% in Q1 2023. All the submarkets recorded a decrease in vacancy levels, on a q-o-q basis. The overall impact was a 70-bps q-o-q decline in the city's vacancy level.

New Supply

Post-pandemic construction activity has been going on at the optimum level and continued at similar levels during the quarter. However, few project completions were deferred to next quarter as they await their occupation certificates. Only one project - Newa Non-IT Bhakti Knowledge Park Phase 1 (0.15 mn sq ft), in Thane-Belapur Road was completed during the quarter. This led to the total Grade A stock for Mumbai increasing by 0.15 million sq ft to 125 million sq ft.

The pace of construction activity was at an optimum level as most of the COVID-related restrictions have been removed. By end-2027, overall stock is expected to see an addition of around 40 million sq ft of Grade A space, with Thane-Belapur Road, SBD Central, BKC Outskirts and Malad-Goregaon sub-markets combining to account for 80% of the future supply.

Outlook

About 7.5 million sq ft of office space is scheduled to complete in 2023. An optimum pace of construction activity is expected, barring any unexpected fresh COVID-19 outbreaks. Demand for flex space and managed workspaces is likely to be high as occupiers prefer fully fitted options to save on costs while gaining flexibility in their portfolio as part of their evolving workspace strategy.

Total net absorption in 2023 is expected to be around 4.8 mn sq ft. Demand is expected to be driven by medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. Towards end-2023, supply is expected to outpace demand, leading to an increase in vacancy rates. Capital values are expected to rise faster than rents due to rising investor interest, leading to a compression of yields in key submarkets for quality assets.

6.5 MICRO MARKET : WESTERN SUBURBS

The Paradigm Mindspace Malad project lies in the Western Suburbs micro market.

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate

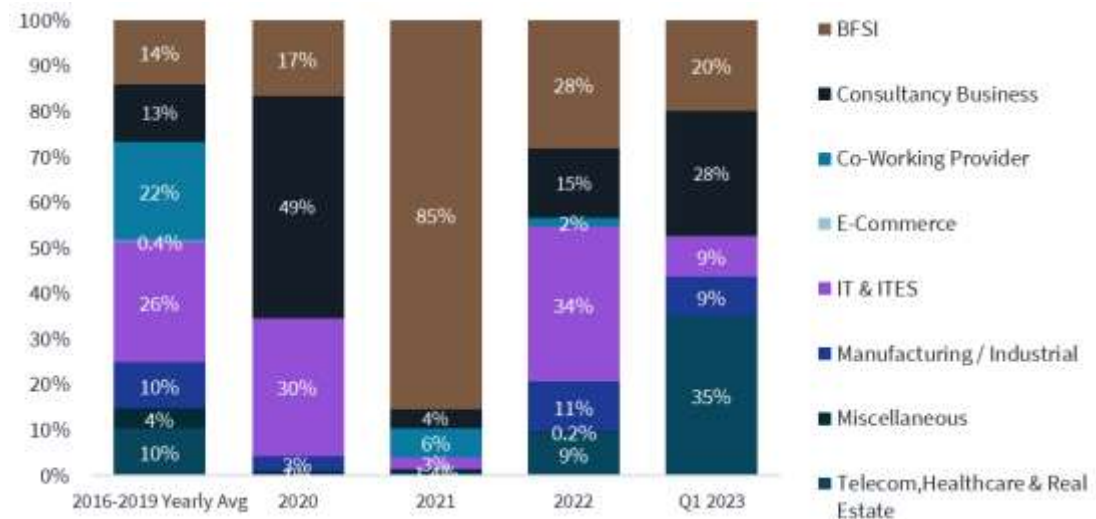


Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Paradigm Mindspace Malad project lies in the Western Suburbs micro-market.

Leasing Activity

Occupier share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Demand in the Malad-Goregaon sub market of Western Suburbs in Q1 2023 was 18,613 sq ft which was marginally better q-o-q but mostly impacted by the limited vacancy in quality assets. Demand in the submarket has been on a sluggish in net absorption terms since the past two quarters due to unavailability of quality Grade A office space. Moreover, in the Malad-Goregaon, where there is limited availability in marquee projects, all prominent under-construction projects usually witness high pre-commitment levels. A major pre-commitment by Morgan Stanley in Oberoi Realty Commerz III remains intact. During the quarter, a few

churn deals were recorded as Karix Mobile leased 30,105 sq ft in Oberoi Commerz 2, and Protium Finance renewed 33,785 sq ft in Nirlon Knowledge Park Phase 1.

The Malad-Goregaon offer quality IT/ITeS buildings with large floor plates. Historically, players in the BFSI back office, ITeS, e-commerce and technology sectors seeking consolidation and fresh take-up have driven activity in this submarket. Due to its location, with easy connectivity to the international airport and the availability of quality space, this submarket has always been preferred amongst large IT firms.

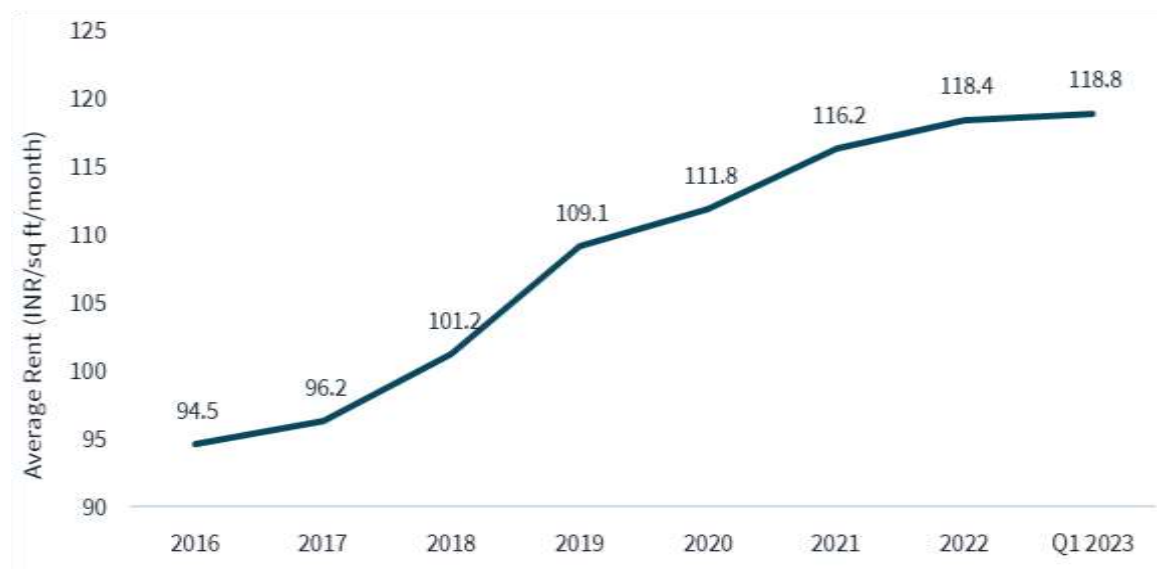
Supply

No new projects were completed during the quarter; hence, the stock stood at 17.1 million sq ft, which is 14% of total city stock.

Vacancy

Positive net absorption and no new supply led the vacancy rate to drop marginally to 14.3% in Q1 2023. On average, major projects such as Nirlon, Nesco and Oberoi Commerz I & II were operating at 90–95% occupancy levels.

Rents



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Note: Mindspace REIT micro markets, 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.

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market

Table 6.1: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Occupier Name	Name of the Building	Location	Area Leased (sq. ft.)	Lease Rentals (INR per sq. ft. per Month)
1	Karix Mobile Private Limited	Oberoi Commerz 2	Goregaon East	30,105	140
2	Havas Media India Private Limited	Oberoi Commerz 2	Goregaon East	28,676	155
3	MUFG Enterprise Solutions India Private Limited	Nirlon Knowledge Park - B6	Goregaon East	23,020	149
4	Tata Capital Housing Finance Limited	R-Tech Park	Goregaon East	21,140	122
5	Evalueserve.com Private Limited	Nirlon Knowledge Park - B7	Goregaon East	14,738	138
6	LRN Technology Content Solutions India Private Limited	Nirlon Knowledge Park - B6	Goregaon East	14,701	148
7	Zicom Electronic Security Systems Limited	Silver Metropolis	Goregaon East	11,584	90
8	Galderma India Private Limited	Lotus Corporate Park	Goregaon East	9,000	120
9	Global Payments Asia Pacific Limited	Nirlon Knowledge Park - Phase 3 B6	Goregaon East	8,990	147
10	Rediffusion Brand Solutions Private Limited	Lotus Corporate Park	Goregaon East	8,941	115
11	Unison Insurance Broking Services Private Limited	Lotus Corporate Park	Goregaon East	8,930	141
12	Dovesoft Private Limited	DLH Park	Malad West	7,963	102
13	Acko Technology & Services Private Limited	Lotus Corporate Park	Goregaon East	4,500	103

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The lease transactions in the Western Suburbs micro market are recorded in the range of INR 90 – 140 per sq. ft per month. The lease transactions in the Malad-Goregaon location where the Project is located are in the range of INR 90 to 120 per sq. ft per month. Market rent for Paradigm Mindspace Malad Project has been considered in line with the achievable market rent for completed buildings at INR 92 per sq. ft per month.

Investment Activities within the Micro Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within the Country

The table below present details of few large sale transactions. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions are witnessed in the range of 7.75% to 9.0%.

Table 6.2: List of transactions / deals in recent past:

Sl. No.	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Project Site is Paradigm Mindspace Malad which is one of the known developments located in the Western Suburbs micro market in Mumbai city. The Project is a part of **Mindspace Business Parks REIT** (Mindspace REIT) portfolio. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A, IT (Non SEZ) space spread across two wings with good amenities and facilities. There are prominent clients in the Park such as J P Morgan, Tech Mahindra, Smartworks, Firstsource Solutions, etc., and it is a preferred IT commercial development in this micro market due to the quality of buildings, ease of connectivity and nature of IT Park. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate has been arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

Demand for Malad-Goregaon sub market is expected to be mostly driven by IT, BFSI, GCCs and Consulting firms. With good availability of developable land, the market is expected to add 3.2 million sq. ft of Grade A space to its stock over the next five years.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial / office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub / above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market / marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.1.1 CASH FLOW PROJECTIONS

The cash flows for the Project have been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant / under-construction / future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimation 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 lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

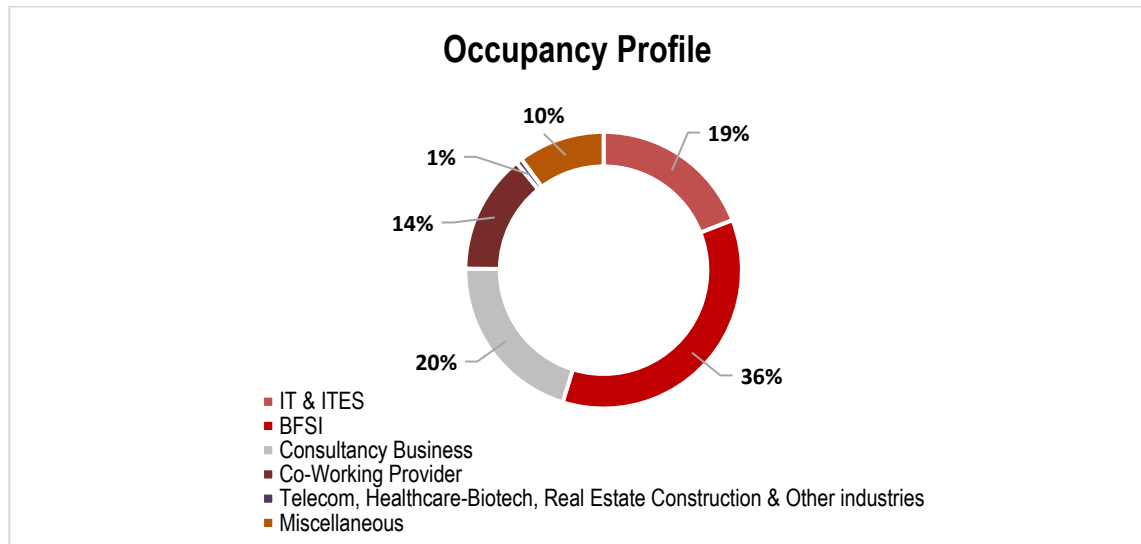
7.1.2 CONSTRUCTION TIMELINES

As mentioned earlier, the Project has approx. 0.73 mn sq. ft leasable area under two buildings and is fully completed and operational. Thus, no pending cost to complete is factored as of date of valuation for the Project. However, there is upgrade CAPEX to the tune of approx. INR 169 million which shall be completed by Q1 FY25.

7.1.3 ABSORPTION / LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows:

- ~36% of the space is taken by BFSI sector.
- ~20% each has been taken up by IT / ITES and Consultancy Business.
- ~14% is occupied by Co-Working Provider.
- ~11% has been occupied by Miscellaneous and Other industries such as Media, Telecom and Real Estate.



7.1.4 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and / or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-2033	As per workings
Asset Details		
Total Leasable Area	730,879 sq ft	As per the information provided by the Client
Leased Area	715,724 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	15,155 sq ft / 2.1%	As per the information provided by the Client
Vacancy Allowance	2.0%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	15,155 sq ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro market
Rent Free Period for New Leases	3 months	As prevalent in the micro market
Total No. of Car Parking Spaces	661 Nos	As per the information provided by the Client
No. of Car Parking Spaces Leased	122 Nos	As per the information provided by the Client

Parameters	Assumptions / Inputs	Remarks / Basis
Construction Related Assumptions		
Approx. construction cost to be incurred	INR 169 mn	As per the information provided by the Client
Estimated Completion Date for incurring expenses	Q1 FY25	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases i.e., 4.5% every years	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent – Office	INR 92 per sq. ft. per month	<p>The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 85 – 95 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 90 – 100 per sq. ft per month. Please refer table 6.4 and 6.5.</p> <p>Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.</p>
Market / Marginal Rent – Amenities	Not Applicable	
Market Rent – Car Parking Space	INR 5,000 per CPS per month	<p>The Grade A offices offers car parking rates in the range of INR 4,500 – 5,500 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the subject property is derived.</p>
Market / Marginal Rent – Food Court	INR 110 per sq. ft. per month	<p>The lease transactions of food court in Grade A, IT park in the said micro market are recorded in the range of INR 100 – 120 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 115 – 125 per sq. ft. per month. Please refer table 6.4 and 6.5.</p> <p>Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.</p>

Parameters	Assumptions / Inputs	Remarks / Basis
Market / Marginal Rent – Kiosk	Not Applicable	
Market / Marginal Rent – Terrace	Not Applicable	
Other Income	1% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	5.0% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 11.9 per sq ft per month	The CAM rate in Grade-A Commercial Development is observed to be in the range of INR 10 – 15 per sq. ft. per month. The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage – New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage – Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 9.4 per sq ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 3.38 per sq ft per month	As given by the Client
Insurance	INR 0.29 per sq ft per month	As given by the Client
Cost Escalation	3.0% per Annum	As prevalent in the market.

Parameters	Assumptions / Inputs	Remarks / Basis
CAM Escalation	5.0% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1.0% of Terminal Value	As prevalent in the market
Other Operating Expenses	2.0% of Base Rent + Car Parking Charges	As prevalent in the market.
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the net cash flow of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.2 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is estimated to be as follows:

Table 7.3: Market Value of the Project

Component	Leasable Area (sq. ft.)	Market Value (INR Million)	Percentage Share
IT (Non SEZ) Park incl. Amenities – Completed	730,879	10,581.71	100%

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the Entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project comprising total leasable area of 730,879 sq. ft of project Paradigm Mindspace Malad (Paradigm A and B buildings), located in Malad, Mumbai, Maharashtra, India, is estimated to be **INR 10,581.71 million (INR Ten Billion Five Hundred Eighty One Million Seventy One Thousand Only).**

Table 7.4 Ready Reckoner Rates for the Property

Component	Ready Reckoner Rate (INR per sq. m)
Commercial (Built-Up Area)	201,260
Land Area (Open Plot)	80,060

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

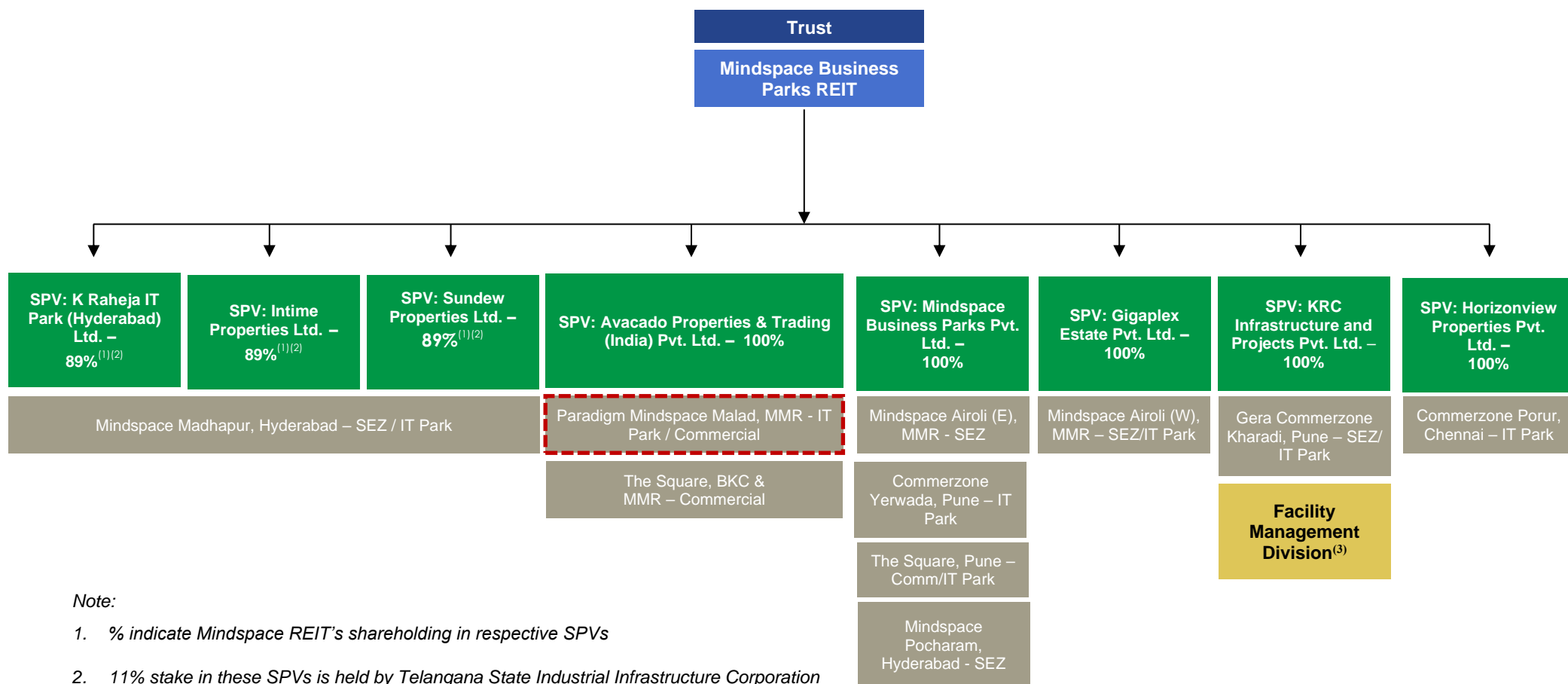
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

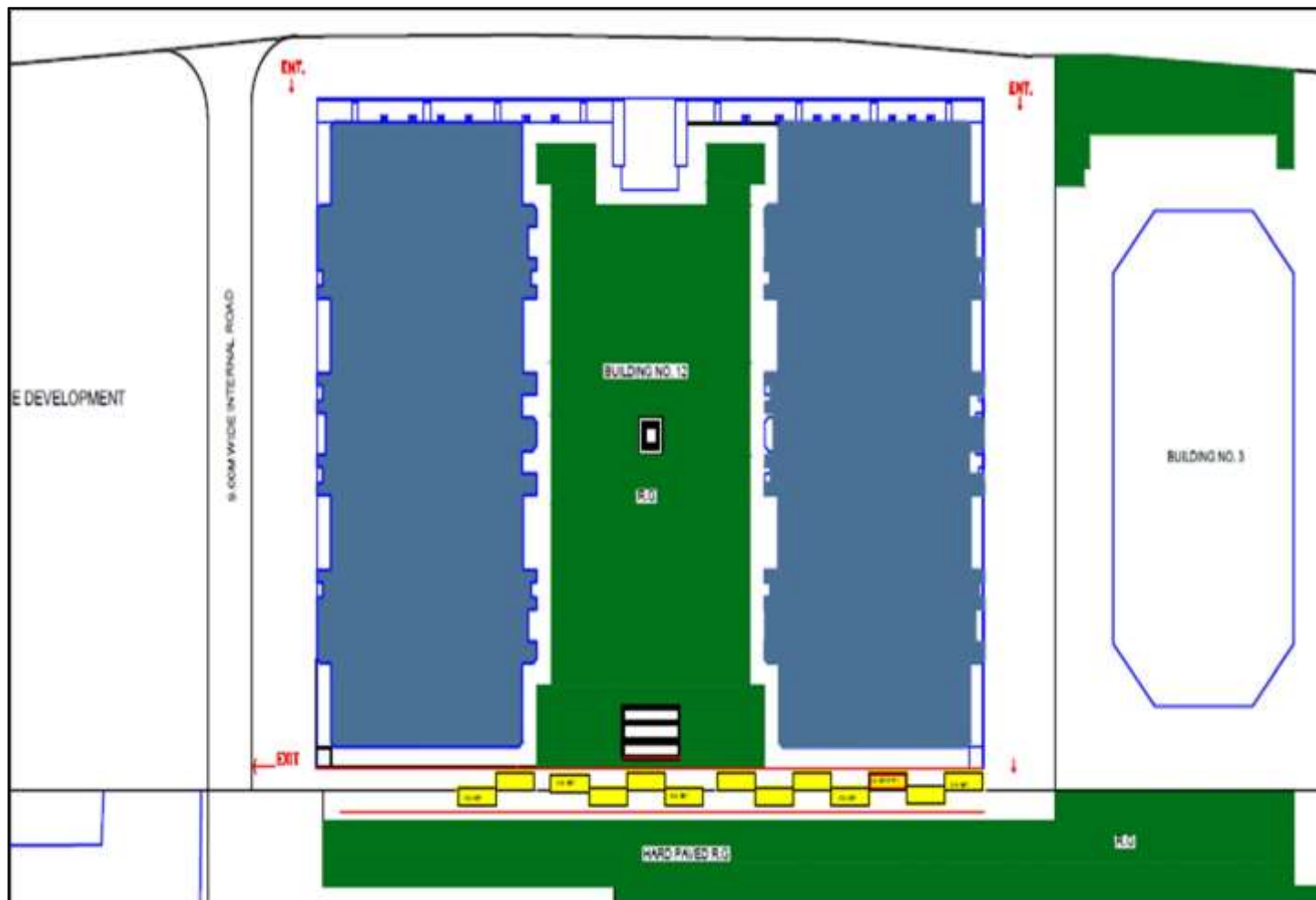
Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2 Layout Plan of the Project



Annexure - 3**Statement of Key Assets within the Project**

Complex	Name	Malad
Building	No. / Name	Paradigm
Floor	Nos	B+GF+GF+9
Warm Shell / Bare Shell		Only DG connected to common area
Air Cooled Chiller	TR	3 x 100
Water Cooled Chiller	TR	NA
No. of Elevators / Make	No. / Make	16- Mitsubishi
No. of DG / Capacity	No. / KVA	1 x 320, 1 x 400
No. of Transformers / Capacity	No. / KVA	NA
Booster Pump	KW / Make	2 x 9.36 - Kirlsokar Brothers
Jockey Pump	KW / Make	2 x 9.36 - Kirlsokar Brothers
Fire Diesel Pump	KW / Make	NA
Hydrant Pump	KW / Make	37 - Kirlsokar Brothers
Sprinkle Pump	KW / Make	37 - Kirlsokar Brothers
STP Rating	KLD	350

Annexure - 4

Approvals and NOCs Received for the Project

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

Approvals Received

- Full Occupancy Certificates
- One-time fire NOC
- Form B for half year ending Dec 2022
- Consent to Operate

Approvals Pending

- None

Annexure - 5

Ready Reckoner Rate Applicable for the Project

नोंदणी व मुद्रांक विभाग, महाराष्ट्र शासन							
बाजारमूल्य दर पत्रक							
Home	Valuation Rules	User Manual	Close	Feedback			
Year 2023/2024	Annual Statement of Rates						Language English
Selected District	मुंबई(उपनगर)						
Select Village	मालाड (दक्षिण) (बोरीवली)						
Search By:	<input type="radio"/> Survey No <input checked="" type="radio"/> Location						
Select	उपविभाग	खुली जमीन	निवासी सदमिका	ऑफिस	दुकाने	औद्योगिक	एकक (Rs.)
SurveyNo	63/297 A-पाम प्रोजेक्ट संकुलनातीत मिळकती	93840	203130	233600	253910	203130	चौरस मीटर
SurveyNo	63/297-मुभाग: उत्तरेस गावाची सीमा, पूर्वेस लिंक रोड, दक्षिणेस बॉर्डर हद्द व पश्चिमेस खाडी	80000	175010	201260	218760	175120	चौरस मीटर
SurveyNo	63/298-मुभाग: उत्तरेस मामलेदार वाडी मार्ग, पूर्वेस एस. व्ही. रोड, दक्षिणेस बॉर्डर हद्द व पश्चिमेस लिंक रोड	58650	134160	154280	193400	134160	चौरस मीटर
SurveyNo	63/299-रस्ता : स्वामी विवेकानंद रोड.	65190	131230	191400	257000	131230	चौरस मीटर
SurveyNo	63/300-मुभाग: उत्तरेस मामलेदार वाडी मार्ग, पूर्वेस रेल्वे लाईन, दक्षिणेस गावाची सीमा व पश्चिमेस एस. व्ही रोड.	56340	134480	154660	168100	134480	चौरस मीटर

Annexure - 6 Cash Flow Profile

Table 7.5 Discounted Cash Flow (INR million)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		155.00	14.00	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		831.06	887.43	841.62	905.77	966.63	1,018.86	1,063.97	1,111.12	1,160.38	1,188.44	1,305.83
B	Car Parking Income		6.06	6.06	5.59	7.78	8.78	9.17	9.58	10.01	10.46	10.94	11.43
C	Fit-out rentals/ tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		837.12	893.49	847.21	913.56	975.40	1,028.03	1,073.56	1,121.13	1,170.84	1,199.38	1,317.25
E	Maintenance services income		108.20	113.63	119.32	125.28	131.55	138.12	145.03	152.28	159.90	167.89	176.29
F	Other Operating Income		8.31	8.87	8.42	9.06	9.67	10.19	10.64	11.11	11.60	11.88	13.06
G	Revenue from Operations		953.64	1,016.00	974.94	1,047.90	1,116.61	1,176.35	1,229.23	1,284.52	1,342.34	1,379.15	1,506.60
	Direct Operating Expenses												
H	Maintenance services Expenses		86.95	91.30	95.86	100.65	105.69	110.97	116.52	122.35	128.46	134.89	141.63
I	Property Tax		30.55	31.46	32.41	33.38	34.38	35.41	36.47	37.57	38.70	39.86	41.05
J	Insurance Premium		2.58	2.66	2.74	2.82	2.90	2.99	3.08	3.17	3.27	3.37	3.47
K	Net Operating Income (NOI)		833.56	890.59	843.93	911.04	973.64	1,026.97	1,073.15	1,121.43	1,171.92	1,201.04	1,320.45
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	16,340.52	-
	Indirect Operating Expenses												
L	Brokerage Fees		11.59	-	35.49	14.73	6.59	-	-	-	-	28.92	-
M	Property Management Fee		29.59	31.58	29.95	32.29	34.48	36.34	37.95	39.63	41.39	42.39	46.56
N	Other operational expenses		16.74	17.87	16.94	18.27	19.51	20.56	21.47	22.42	23.42	23.99	26.35
O	Net Cash Flow		620.63	827.13	761.55	845.75	913.07	970.07	1,013.73	1,059.38	1,107.11	17,446.26	1,247.54

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

Annexure - 7

Material Litigations

A. Avacado

(i) Title litigation and irregularities

1. Nusli N. Wadia ("**Plaintiff**") filed a suit ("**Suit**") before the Bombay High Court ("**High Court**") against Ivory Properties, Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L. Raheja, Inorbit Malls, Avacado and others ("**Defendants**") pertaining to *inter alia* revocation of the registered agreements for sale of certain buildings, including the registered agreements executed in favour of Avacado for acquiring buildings viz. Paradigm constructed on demarcated portion of the land located at Mindspace Malad project, and demolishing of the building Paradigm located at Mindspace Malad project. The Plaintiff's claim with regard to Avacado is restricted to its transaction relating to Paradigm building constructed on the demarcated portion of land located at Mindspace Malad project and does not extend to the equity shares of Avacado or any other assets held by Avacado.

The Suit was filed *inter alia* alleging certain insufficient payment to the Plaintiff, breach and non-adherence of the project agreement of 1995 entered into between the Plaintiff and Ivory Properties in respect of certain land situated at Malad West and Kanheri, including the demarcated portion of the land on which building Paradigm is constructed in Mindspace Malad project ("**1995 Agreement**"), and pertaining to sale of certain buildings *inter alia* on ground of sale of such buildings to alleged related parties. The Plaintiff sought *inter alia* (i) orders of declarations and permanent injunctions relating to the termination of the 1995 Agreement, (ii) the termination of some of the registered agreements and memorandums of understanding entered between the Plaintiff, Ivory Properties and purchasers in respect of some of the buildings constructed on the demarcated portions of land in Malad (including the building viz. Paradigm located at Mindspace Malad project), (iii) demolishing of such buildings and (iv) damages from Ivory Properties, Mr. Ravi C. Raheja, Mr. Neel C. Raheja and Mr. Chandru L. Raheja to the extent of ₹ 3,509.98 million along with interest. A notice of motion was also filed by the Plaintiff seeking interim and ad-interim reliefs for *inter alia* appointment of receiver for buildings sold by the Plaintiff and Ivory Properties to various Defendants (including Avacado), restraining Ivory Properties and other Defendants (including Avacado) from alienating, encumbering or parting with possession of the building and restraining Ivory Properties and other Defendants (including Avacado) from dealing with (including renewal of leases / licenses) or creating fresh leases / licenses in respect of the buildings, and from receiving or recovering any sum in respect thereof by way of rent, license fee or compensation for occupation, or if received or recovered be directed to deposit the said rent, license fee or compensation to the High Court. No ad-interim relief was granted to the Plaintiff.

The Defendants filed replies *inter alia* stating that the Suit is barred by limitation and that the transactions under the registered documents are genuine and in accordance with the 1995 Agreement and that the Plaintiff had deliberately made false and defamatory comments to cause damage to the reputation of the Defendants *inter alia* to pressurize Ivory Properties and its directors into meeting the Plaintiff's demands for unjustifiable amounts beyond what is payable under the 1995 Agreement. Further, Ivory Properties has also filed a counter-claim for various reliefs relating to specific performance of the 1995 Agreement and refund of ₹ 16 million with interest paid to the Plaintiff, and in the alternative for payment of estimated damages of ₹ 6,091.40 million *inter alia* towards loss of profit from the balance development potential and ₹ 5,000 million along with interest for compensation towards defamation.

The notice of motion for interim relief and the Suit are pending for the final hearing before the High Court.

Separately, in relation to a transaction of divestment by the KRC group of their shareholding in respect of one of its group companies, the Plaintiff, through his advocates & solicitors, had addressed certain letters, including to KRCPL, CCI and the merchant bankers acting in that transaction. The Plaintiff had also issued caution public notice dated October 1, 2016, cautioning the public about the risks and consequences in dealing with the suit property. The allegations and averments have been responded by KRCPL and the merchant bankers and the transaction of divestment was completed.

Further, the Plaintiff, through his advocates, addressed a letter dated February 13, 2020, including to Mindspace REIT, the Manager, the Trustee, the Sponsors, Avacado, Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L. Raheja, Ivory Properties and KRCPL, expressing his objection to the proposed Offer and any actions concerning

the building at Paradigm Mindspace Malad. The allegations and averments made by the Plaintiff have been responded by parties concerned. No further correspondence has been received.

(ii) *Criminal matters*

There are no pending criminal matters against Avacado.

(iii) *Regulatory actions*

1. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 ("**Income Tax Act**") against Avacado, Gigaplex, KRIT, MBPPL, Chalet Hotels, Genext, Inorbit Malls, KRCPL, KRPL, Shoppers Stop and others ("**Parties**"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act directing them to prepare and furnish true and correct returns of total income for assessment years ("**AY**") from 2008-2009, 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department issued notices under Section 142(1)/143(2) of the Income Tax Act for assessment years 2008-2009, 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Parties from time to time.

Avacado filed appeals for AY 2012-13 to AY 2017-18 before the Commissioner of Income Tax (Appeals) ("**CIT(A)**") against the order received under section 143(3) r.w.s. 153A of the Act. The same were disposed of by the CIT(A) against Avacado for AY 2012-13 to AY 2014-15 and in favour of Avacado for AY 2015-16 to AY 2017-18. Avacado made an application under the Direct Tax Vivad se Vishwas Act, 2020 ("**VsV**") for AY 2012-13 and AY 2014-15 and the final order was received in favour of Avacado. The Income Tax Department filed an appeal for AY 2015-16 and AY 2016-17 in Income Tax Appellate Tribunal ("**ITAT**") against the order of the CIT(A) and the final order is received in favour of Avacado. The Income Tax Department has filed an appeal before the Bombay High Court against the order of the ITAT. Avacado filed an appeal before the ITAT against the order for AY 2013-14 which is currently pending. Avacado received a notice under section 148 for assessment year 2014-15. Avacado filed return of income under protest in response to the said notice and also sought reasons for reopening the assessment undertaken during the assessment year 2014-15. Pursuant to which, Avacado received reasons for reopening and submitted a response objecting to the reopening of assessment. The Income Tax Department passed an order rejecting the objections filed. Avacado has received notice u/s 148A(b) and response against the same has been submitted, objecting to the reopening of assessment. The Income Tax Department passed an order u/s 148A(d) rejecting the objections filed and served notice u/s 148 of the Income Tax Act. The return of income was filed under protest in response to the said notice. Avacado has filed Writ Petition before Bombay High Court against the notice u/s 148 and order u/s 148A(d).

2. MPCB allegedly issued a show cause notice dated November 11, 2016 ("**First SCN**") to Avacado for alleged failure in obtaining no objection/ permission from the CGWA for extraction of ground water in respect of the Paradigm Mindspace project. MPCB served a show cause notice dated March 14, 2017 on Avacado, referring to the First SCN stating that the First SCN was issued pursuant to the directions given to MPCB and CGWB by the National Green Tribunal judgement dated January 11, 2016 and November 8, 2016 (in the matter of Asim Sarode V/s District Collector, Nanded and others, where Avacado was not a party) to jointly prepare a list of industries and infrastructure projects which require permission for extracting ground water and to issue directions for closure of such industries and infrastructure projects for whom the default persists. By letter dated April 6, 2017, Avacado responded to MPCB *inter alia* stating that (a) there is no requirement for Avacado to apply for or obtain NOC from CGWA, as Avacado does not appear in the list of industries and infrastructure projects which require permission for extracting ground water as published on the MPCB website; (b) Avacado does not withdraw ground water at the Paradigm Mindspace Malad project; and (c) the First SCN was not received by Avacado. No further correspondence has been received.
3. The Office of Tehsildar, Borivali ("**Tehsildar**") issued demand notices dated February 5, 2021 and dated March 2, 2021 under provisions of Maharashtra Land Revenue Code, 1966 to Ivory Properties and others for retrospective payment of non-agricultural tax ("**NA Tax**") of ₹ 52.63 million. The demand notices were issued pursuant to the

letter dated February, 5, 2021 of the Collector (Mumbai Suburban Office) ("**Collector**"), wherein it was recorded that all urban lands in state being used for non-agriculture purpose, NA Tax assessment had been stayed for the period August 1, 2006 to July 31, 2011 till the revised guidelines were finalised as per government letter NAP0311/CR28/L5 dated August 24, 2011 and that as per Government of Maharashtra decision dated February 5, 2018, the stay was lifted. Ivory Properties vide letter dated March 30, 2021 has denied the quantification and leviability of the NA Tax assessment with retrospective effect and has requested the Tehsildar not to take any coercive action, without giving a reasonable opportunity to file a reply. Ivory Properties also tendered, without prejudice, an 'on account' deposit of a sum of ₹ 3.00 million to the Office of Tehsildar, without admitting or accepting any liability. The Tehsildar had subsequently issued another demand notice dated December 15, 2021 to Ivory Properties and others for payment of NA Tax of ₹ 53.73 million. Ivory Properties vide letter dated February 25, 2022 inter alia replied that it had not accepted or admitted the liability, leviability or quantification of the said amount; however to show bonafide intent, (while reserving all rights and remedies) Ivory Properties had tendered, a refundable deposit of ₹ 15 million to the Office of Tehsildar, without prejudice to all contentions on all counts. The Government of Maharashtra, Revenue and forest Department by way of its letter dated April 07, 2022, has put a stay on the NA Tax assessment until further order.

(iv) *Material civil/commercial litigation*

There are no other material civil/commercial litigation involving Avacado.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

The Square, BKC, Mumbai

Maharashtra, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

30-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name The Square, BKC, Mumbai, Maharashtra, India

Property Address Plot C-61, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051

Land Area ~ 0.9 Acres

Brief Description The property is located in the central part, of the Secondary Business District – BKC micro market of Mumbai City along the Bandra Kurla Complex Road. It is located at a distance of about 3.6 km from the Bandra East Railway Station and about 6.8 km from Chhatrapati Shivaji Maharaj International Airport.

The property is developed as Grade A, Commercial Non-SEZ property which comprises of 146,350 sq. ft of leasable area under a single independent office building.

The property is owned entirely by Avocado Properties and Trading (India) Private Limited in which 100% interest is held by Mindspace Real Estate Investment Trust (REIT).

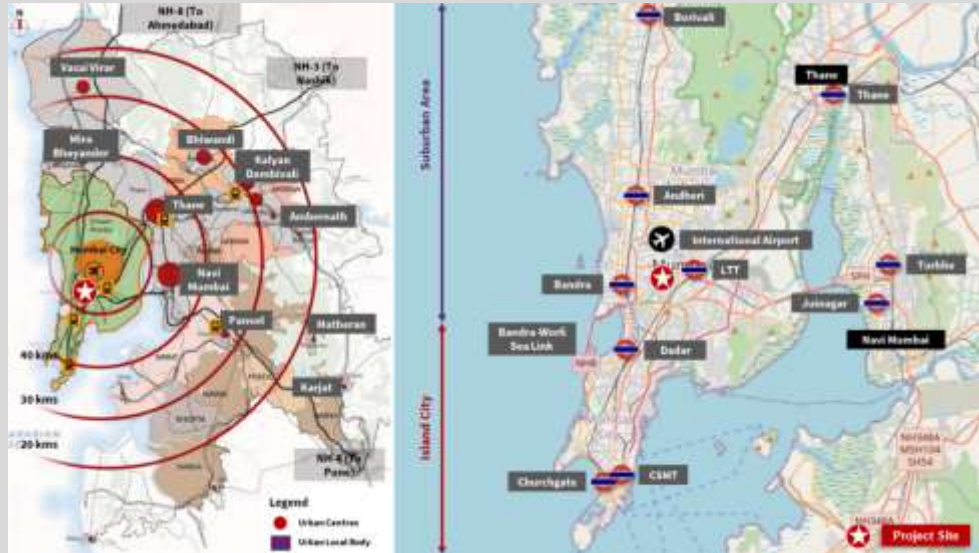
The property has good frontage along the access road with two(2) main entrance. The property is surrounded by commercial office spaces followed by retail and hospitality developments in the vicinity.

Asset Details Leasable area details as shared by the Client is given below:

Sl.	Building Name	Leasable Area (sq. ft.)
1.	The Square BKC	146,350
	Total Leasable Area	146,350

Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.

Location Map



Key Assumptions

The table below summarizes key Valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office with Amenities
Current Status	Completed and Operational

Total Leasable Area	146,350 sq. ft.
Year of Completion / Co	24 years and 3 months
Revenue Assumptions	
In-Place Rent	INR 240 per sq. ft. per Month
Market / Marginal Rent	INR 275 per sq. ft. per Month
Parking Rent	Not Applicable
Financial Assumptions	
Exit Cap Rate	7.75%
Discount Rate / WACC	11.75%

Market Value

For Completed & Operational Project: **INR 4,652.57 million** (INR Four Billion Six Hundred Fifty-Two Million Five Hundred Seventy Thousand Only).

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LIST OF ABBREVIATIONS

CBD	Central Business District
CY	Current Year
INR	Indian Rupees
IT / ITES	Information Technology / IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
km	Kilometre
NH	National Highway
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft	square feet
sq. m	square metre

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project named '**The Square**' located in **BKC, Mumbai**, Maharashtra, India (hereinafter referred to as the 'Project'). The Project is an operational Non-SEZ Commercial office building having leasable area of about ~0.15 Mn sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	The Square BKC	146,350
	Total Leasable Area	146,350

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

The valuation exercise is conducted strictly and only for the use of the parties as stated above who need to rely on such valuation ('Reliant Party') and for the Purpose specifically stated. The Client shall make all reliant parties aware of the terms and conditions of the engagement

under which this exercise is being undertaken and take due acknowledgements to the same effect.

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal Institution of Chartered Surveyors ("RICS"), Fellow and Lifetime Member of Institute of Valuers, India ("IOV"), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER'S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 04th April 2023 by the Valuer in the presence of Client-nominated representative and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data / information provided by the Client and estimate has limited coverage wherever full data / information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Estimate of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and / or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents / information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical

Method, also commonly known as Land and Building Method, which typically entails estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings.
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational commercial / office space, the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted an exit cap rate of 7.75% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

Cost of equity = Risk Free Rate (Rf) + Beta (β) * (Market Return (Rm) – Risk Free Rate (Rf))

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market.

For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the project. The derived discount rate was found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	The Square, BKC, Mumbai, Maharashtra, India																						
Property Address	Plot C-61, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051																						
Land Area	~ 0.9 Acres																						
Brief Description	<p>The property is located in the central part, in the Secondary Business District – BKC micro market of Mumbai City along the Bandra Kurla Complex Road. It is located at a distance of about 3.6 km from the Bandra East Railway Station and about 6.8 km from Chhatrapati Shivaji Maharaj International Airport.</p> <p>The property is developed as Commercial Non-SEZ property which comprises of 146,350 sq. ft of leasable area under a single independent office building.</p> <p>The property is owned entirely by Avacado Properties and Trading (India) Private Limited in which 100% interest is held by Mindspace Real Estate Investment Trust (REIT).</p> <p>The property has good frontage along the access road with two main entrance. The property is surrounded by commercial office spaces followed by retail and hospitality developments in the vicinity.</p>																						
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table> <tr> <th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr> <tr> <td>1.</td><td>The Square BKC</td><td>146,350</td></tr> <tr> <td></td><td>Total Leasable Area</td><td>146,350</td></tr> </table> <p>Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.</p>		Sl.	Building Name	Leasable Area (sq. ft.)	1.	The Square BKC	146,350		Total Leasable Area	146,350												
Sl.	Building Name	Leasable Area (sq. ft.)																					
1.	The Square BKC	146,350																					
	Total Leasable Area	146,350																					
Valuation Methods	Since all buildings are completed and operational, the estimate of Market Value is prepared using 'Discounted Cash Flow Method' using Rent Reversion																						
Nature of the Interest by the Client	100% freehold interest in the Project as informed by the Client																						
Purchase Price of the Project	INR 3,751 million, as given by the Client																						
Historical Valuation of the Project in 3 Previous Years	<p>Below table summarizes historical valuation of the Project as given by the Client:</p> <table> <tr> <th></th><th>Date of Valuation</th><th>Market Value (INR Mn)</th></tr> <tr> <td>1.</td><td>30-Sep-2022</td><td>4,636</td></tr> <tr> <td>2.</td><td>31-Mar-2022</td><td>4,569</td></tr> <tr> <td>3.</td><td>30-Sep-2021</td><td>4,271</td></tr> <tr> <td>4.</td><td>31-Mar-2021</td><td>3,905</td></tr> <tr> <td>5.</td><td>30-Sep-2020</td><td>3,781</td></tr> <tr> <td>6.</td><td>31-Mar-2020</td><td>4,302</td></tr> </table>			Date of Valuation	Market Value (INR Mn)	1.	30-Sep-2022	4,636	2.	31-Mar-2022	4,569	3.	30-Sep-2021	4,271	4.	31-Mar-2021	3,905	5.	30-Sep-2020	3,781	6.	31-Mar-2020	4,302
	Date of Valuation	Market Value (INR Mn)																					
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4.	31-Mar-2021	3,905																					
5.	30-Sep-2020	3,781																					
6.	31-Mar-2020	4,302																					

Ready Reckoner Rate	Built-up Area (Office) - INR 345,060 per sq.mt. Land Area - INR 161,070 per sq.mt.			
Date of Valuation	31-Mar-2023			
Date of Inspection	04-Apr-2023			
Market Value as on 31-Mar-2023	Component	Market Value as on	In Figures (INR Mn)	In Words
	Total Market Value	31 st March 2023	4,652.57	INR Four Billion Six Hundred Fifty-Two Million Five Hundred Seventy Thousand Only
	TOTAL VALUE		4,652.57	INR Four Billion Six Hundred Fifty-Two Million Five Hundred Seventy Thousand Only
Matters Affecting the Property and its Value	Please refer to Chapter 7 of this Valuation Report			
Assumptions, Disclaimers, Limitations and Qualifications	This Valuation Report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report, which are made in conjunction with those included within the Assumptions, Limitations & Qualifications section located within this report. Reliance on this report and extension of Valuer's liability is conditional upon the reader's acknowledgement and understanding of these statements. This Valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party, who may use or rely on the whole or any part of the content of this Valuation Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Project			
Prepared by	KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164) Represented through its Director Mr. Sachin Gulaty FRICS FIV FIIA IBBI/RV/02/2021/14284			



Name: Sachin Gulaty FRICS FIV FIIA
Designation: Director
Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

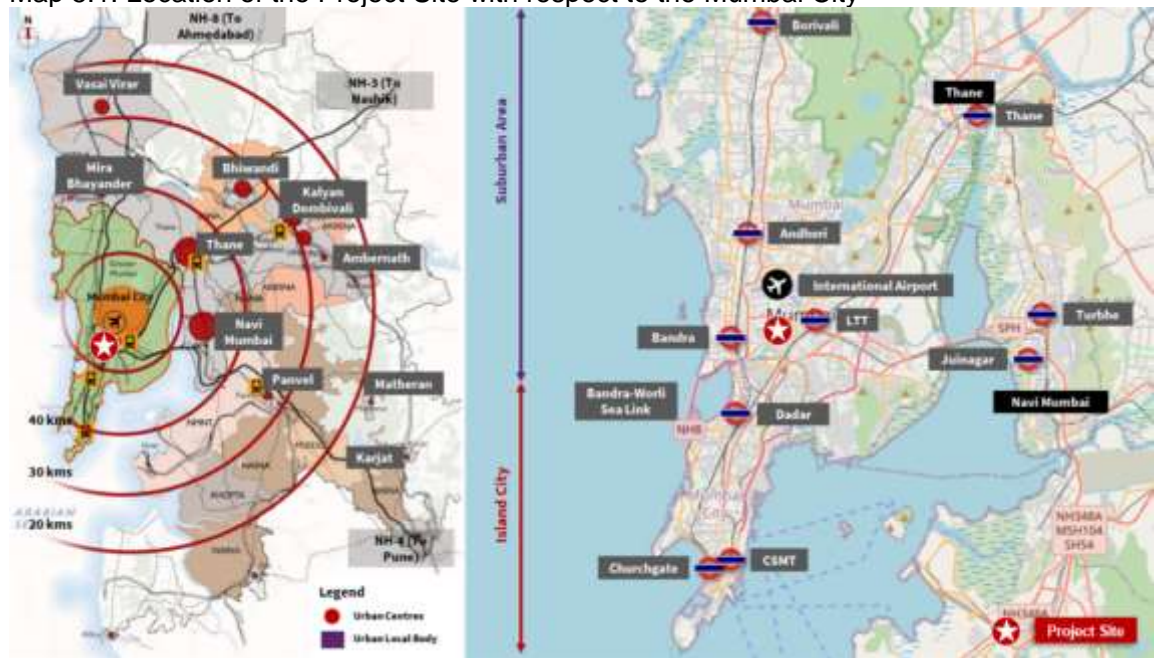
Table 5.1: Details of the Project Site and/or Project

DETAILS OF PROPERTY		
Property Name	The Square, BKC, Mumbai, Maharashtra, India	
Property Address	Plot C-61, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051	
Land Area	~ 0.9 Acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sl.	Building Name
	1.	The Square BKC
	Leasable Area (sq. ft.)	
	146,350	
	Total Leasable Area	146,350
	Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.	
Access	Accessible through Bandra Kurla Complex Road and Trident Road	
Frontage	Approximately 50 m. frontage along Bandra Kurla Complex Road	
Shape and Visibility	The topography of the project features terrain that is relatively flat and has a regular shape. Excellent visibility from Bandra Kurla Complex Road	
Approval Status	Project has requisite approvals in place as confirmed by the Client.	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The property is located in the central part, in the Secondary Business District – BKC micro market of Mumbai City along the Bandra Kurla Complex Road which further connects to Lal Bahadur Shastri Marg towards east and Western Express highway towards West. It is located at a distance of about 3.6 km from the Bandra East Railway Station and about 6.8 km from Chhatrapati Shivaji Maharaj International Airport. The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Mumbai City



Source: Real Estate Market Research & Analysis; JLL, March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Mumbai International Airport	6.8
Bandra Railway Station	3.6
Kurla Railway Station	2.2
Maker Maxity	2.5
Jio World Convention Centre	0.9

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as commercial / office space along Bandra Kurla Complex Road in BKC. The Project is surrounded predominantly by commercial office spaces followed by residential and retail developments in the vicinity. The Project is spread across ~0.9 acres of Land Parcel. The topography of the project features terrain that is relatively flat and has a regular shape. The Project has good frontage along the access road and has two (2) entrances.

The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments

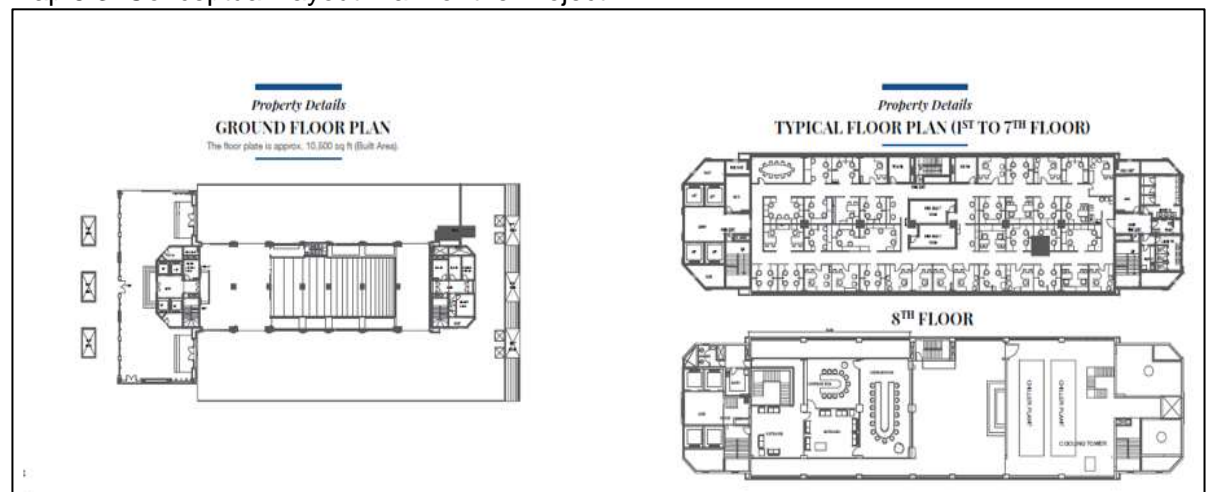


Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project has good accessibility due to its location along the Bandra Kurla Complex Road and vicinity to Western Express Highway and Lal Bahadur Shastri Marg. Upcoming Metro Line-3 (Aqua Line), Mumbai – Ahmedabad High Speed Rail and Coastal Road will enhance the connectivity of Project with other parts of the city and travel time in the future.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, 31st March 2023

The table below presents the boundary/edge conditions of the Project Site.

Table 5.3: Project Site and its Site Boundaries

North	Bandra Kurla Complex Road
South	Trident Road
West	Vibgyor Towers
East	Trent House

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The Project is surrounded by commercial office spaces predominantly followed by residential and retail developments in the vicinity. Grade A commercial / office developments and premium residential developments are also present in the micro-market.

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 146,350 sq. ft. spread across ~0.9 Acres of Land Parcel. The topography of the project features terrain that is relatively flat and has a regular shape. The Project comprises of G+8 floors with 2 levels of basement parking. The entire building is completed & operational. The table in the following page presents details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	The Square BKC	146,350
	Total Leasable Area	146,350

Source: Client, 31st March 2023

The table below presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project

Particulars	Description		
Name of the Entity	Avacado Properties and Trading (India) Private Limited		
Interest owned by Mindspace REIT	Project Site is wholly owned by Avocado Properties and Trading (India) Private Limited which is 100% owned and controlled by the Mindspace REIT ^{1/}		
Land Extent	~ 0.9 acres		
Asset Type	Commercial Non-SEZ building		
Sub-Market	SBD BKC		
Approved and Existing Usage	Commercial Office, Non-IT		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	The Square BKC	24 years and 3 months
Current Status	100% Complete and Operational		
Approvals Status	Project has requisite approvals in place as confirmed by the Client.		
Freehold/Leasehold	The underlying land is taken on leasehold basis from MMRDA		
Leasable Area	~ 0.15 Mn sq. ft.		
Occupied Area	~ 0.15 Mn sq. ft.		

Particulars	Description
Occupancy ^{3/}	100%
Committed Occupancy ^{4/}	100%
Number of Tenants	1 (office space)

^{1/} Refer company structure set out in Annexure 1

^{2/} Occupation certificate for entire leasable area measuring ~0.15 Mn sq. ft has been obtained.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

5.5 PROJECT INSPECTION

The Project has total leasable area of 146,350 sq. ft. spread across ~ 0.9 Acres of Land Parcel. The topography of the project features terrain that is relatively flat and has a regular shape. The Project is located at relatively higher elevation compared to overall topography of the city, indicating moderate risk of flooding. The Project comprises of G+8 floors with 2 levels of basement parking. It is leased out to a single tenant i.e., IDFC First Bank Limited. The entire building block is completed & operational, as on the date of inspection by the Valuer. The Project was inspected by the Valuer on 04th April 2023.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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

Some of the photographs of the Project and surroundings are given below





View of Internal Pathways



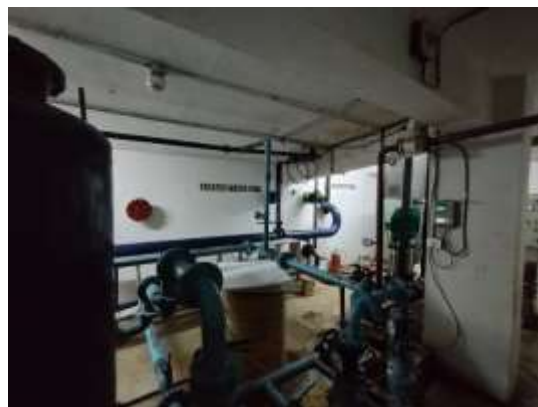
View of Internal Pathways



Internal Views of Buildings



View of Parking space



View of Services



View of Services



View of Access Road



View of Access Road

5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details, age of structure, type of building and the status of the project is summarized in table below:-

Table 5.6: Area Details and Age of Structure

Sr No.	Building Name	Leasable Area (In Sq. Ft.)	Usage Type	Status	Age of Building
1	The Square BKC	146,350	Commercial Non - SEZ	Completed	24 years and 3 months

Developable Area of the Project

The total site area of the project is ~0.9 Acres with total leasable area of ~0.15 Mn sq. ft. under a single completed and operational building comprising of G+8 floors with 2 levels of basement parking.

Site Services and Finishes

The visual inspection was done for the Project including common areas and key utility areas such as LT Electric Room, Pump Room, STP, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in the operational building. The commercial development is well maintained post the recent upgradation of the facility with respect to the newly installed utilities such as firefighting system, electric panels, DG sets, HVAC systems etc. The Project also underwent an upgradation of façade and roof area in lobby.

As mentioned earlier, the Project has approx. 0.15 Mn sq. ft. of Leasable Area and it is a fully completed and operational asset. The project has received full occupancy certificate. However, there is CAPEX (Upgrade cost) to the tune of approx. INR 8 million which shall be completed by Q1 FY24.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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 Project is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

The Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low risk of flooding and perennial water logging.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer, relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS**Tenant Profile**

As on 31st March 2023, Subject Property has a single tenant (for office space) i.e., IDFC First Bank Limited. The Subject Property's tenant account for ~100% of the Gross Rental income.

Table 5.7: Tenants as per Leasable areas

Sr No.	Tenant	Leasable Area (Sq Ft)
1	IDFC First Bank Limited	146,350
	TOTAL	146,350

Tenants as per Gross Rents are listed below: -

Table 5.8: Tenants as per Gross Rentals

Sr No.	Tenant	Share of Gross Rentals
1	IDFC First Bank Limited	100%
	TOTAL	100%

Lease Expiry Analysis

Based on details as shared by client 100% of occupied area is expiring in the year CY 2031 as further detailed in Leave and License agreement / LOI.

Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 10% every 3 years

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Mumbai is the financial capital, an economic powerhouse and one of the key industrial hubs of India. Mumbai is not only home to leading corporate houses and global firms but also to Asia's oldest stock exchange — Bombay Stock Exchange (BSE). According to The Economic Survey of Maharashtra, The Mumbai Metropolitan Region (MMR) contributed about 6.1% to the total GDP of the country in FY 2022. It is the top contributor to the country's exchequer and is expected to account for almost 1/3rd of India's overall tax collection for the financial year ending March 2023. It is also one of the most expensive real estate markets in India, with rents and capital values in the key office sub-markets being some of the highest in the country. Mumbai also has the second-highest office stock in India after Bengaluru. Since 2018, it has been ranked amongst the top 20 cities in JLL's City Momentum Index for its strong real estate demand dynamics.

Mumbai city continued to register a strong comeback in Q1 2023 after the COVID-19 pandemic, even as the global headwinds of geopolitical tensions, declining global growth forecasts and inflation, both domestically and internationally, lingered. In terms of COVID-related restrictions, almost all non-essential activities resumed and were operating normally during the quarter. Both public and private offices are allowed to operate at full capacity and on a 24x7 basis, where applicable, provided the workers' timings are staggered and employees are fully vaccinated. Although the state government has relaxed the restrictions for private offices, they were still operating at only 70–80% capacity.

During the quarter, retail, hospitality and real estate, which are large contributors to the city's economy and employment, continued to gain momentum. Residential and commercial real estate activities were also operating at full pace as demand for homes continued to remain strong and increased demand for office space by existing as well new occupiers from new-age industries also emerged. The city's economy is likely to continue its growth momentum as 100% employees return to offices and domestic demand increases further.

6.3 INFRASTRUCTURE INITIATIVES

Existing infrastructure

Existing Project	Completion timeline	Details	Key impact zones
Bandra Worli Sealink	2009	5.6 km long, 8-lane wide bridge that links Bandra with South Mumbai.	SBD Central, BKC & Annex and BKC Outskirts
Sealink to Bandra Kurla Complex (BKC) Connector	2021	604 meter long, two-lane flyover	BKC & Annex and BKC Outskirts
BKC – Eastern Express Highway Connector	2019	1.6 km connector from G Block of BKC to the EEH	BKC & Annex, BKC Outskirts and Eastern Suburbs

Existing Project	Completion timeline	Details	Key impact zones
Western Express Highway (WEH)	2002	North-south 8-10 lane arterial road of 25.33 km	BKC & Annex, BKC Outskirts, Western Suburbs and Malad-Goregaon
Eastern Express Highway (EEH)	2013	23.55 km city express highway	BKC & Annex, BKC Outskirts and Eastern Suburbs
Eastern Freeway	2013	16.8 km long controlled-access highway	CBD, SBD Central and Eastern Suburbs
JVLR (Jogeshwari Vikhroli Link Road)	1994	10.6 km long 6 lane road connecting the WEH and EEH	Western and Eastern Suburbs and Malad-Goregaon
SCLR (Santacruz Chembur Link Road)	2014	6.45-kilometre-long (4.01 mi) arterial road connecting WEH and EEH	BKC Outskirts, and Eastern suburbs
Ghodbunder Road	NA		Thane
Thane Belapur Road	NA	The road has been widened to a total of 6 lanes	Thane and Thane-Belapur Road
Mumbai – Pune Highway	2002	6-lane wide tolled expressway spanning a distance of 94.5 km	Thane-Belapur Road, Navi Mumbai Others
Western Line (Suburban Railway)	1853	Consists of 37 stations from Dahanu Road to Churchgate railway station.	CBD, BKC & Annex, BKC Outskirts, SBD Central, Western Suburbs, Malad-Goregaon
Central Line (Suburban Railway)	1853	Consists of 24 stations from Chhatrapati Shivaji Maharaj Terminus to Kalyan	CBD, SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs, Eastern Suburbs, Thane
Harbour Line (Suburban Railway)	1910	The Harbour line is a branch line of the Mumbai Suburban Railway	CBD, SBD Central, Thane-Belapur Road and Navi Mumbai Others
Monorail Line 1 (Jacob Circle – Wadala)	2014	20.21 km line and is fully elevated	SBD Central
Chhatrapati Shivaji Maharaj International Airport	1942	It has two operating terminals spread over 750 hectares handling 950 aircraft per day.	Western Suburbs, Malad-Goregaon

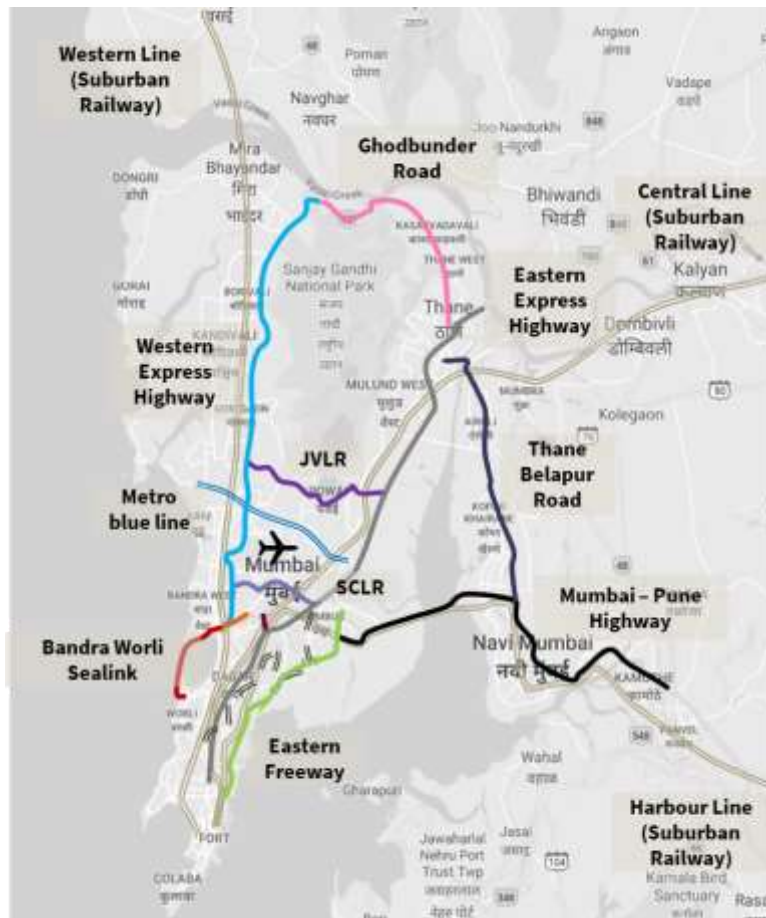
Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Upcoming infrastructure

Submarket of Thane-Belapur Road and Navi Mumbai Others will benefit from the proposed Navi Mumbai international airport. A proposed airport would positively impact the real estate market in Navi Mumbai by improving area's commercial value, mainly through generating employment opportunities. Furthermore, it will also ease the burden on Mumbai's Chhatrapati Shivaji International Airport (CSIA) which accounts for over 25% of the entire air traffic in India.

Submarkets like CBD, SBD Central and Western Suburbs and Malad-Goregaon will benefit from the coastal road project. It will help improve the connectivity and reduce the commuting time by 70%. Further, it will create easy access to the commercial hotspots of South Mumbai. Most importantly, it will decongest the expressway and local railways. This will lead to an uptick in the housing demand in the nearby suburbs and boost property prices.

Mumbai - Map of existing and upcoming infrastructure



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

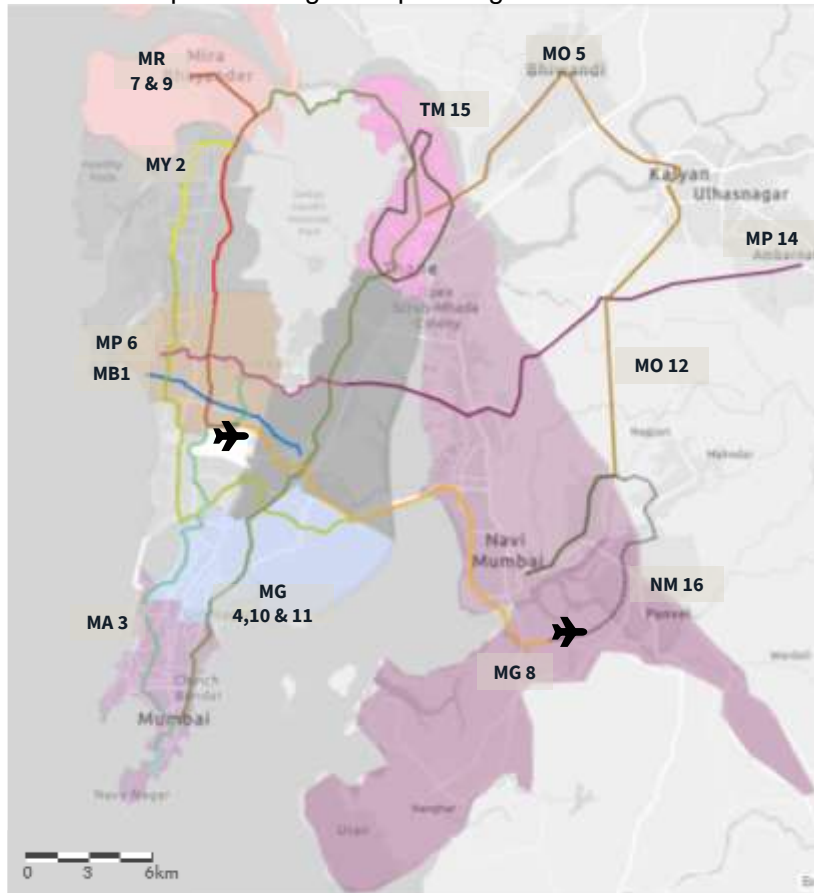
Upcoming Metro Lines - Mumbai

Upcoming Project		Completion timeline	Details	Key Impact Zones
Metro Yellow line 2A and B	MY 2	2022 & 2023	Dahisar – Andheri West – Mankhurd	Western Suburbs and Malad-Goregaon
Metro Aqua line 3	MA 3	2023	Colaba-Bandra-SEEPZ	CBD and SBD Central, BKC & Annex, BKC Outskirts, Western Suburbs
Metro Green Line 4	MG 4,10,11	2024	Wadala – Kasarvadavali – Gaimukh	Eastern Suburbs and Thane
Metro Orange Line 5	MO 5	2024	Thane – Bhiwandi – Kalyan	Thane
Metro Pink Line 6	MP 6	2024	Lokhandwala – Jogeshwari – Kanjurmargin	Western and Eastern Suburbs,
Metro Gold Line 8	MG 8	2026	CSMIA T2 – NMIA (indicative)	Western Suburbs, Thane-Belapur Road, Navi Mumbai Others and Malad-Goregaon
Metro Red Line 9	MR 7 & 9	2024	Dahisar – Mira Bhayandar	Malad-Goregaon
Metro Green Line 10	MG 4,10,11	2025	Gaimukh – Shivaji Chowk (Mira Road)	Thane

Upcoming Project		Completion timeline	Details	Key Impact Zones
Metro Green Line 11	MG 4,10,11	2025	Wadala – CSMT	SBD Central and CBD
Metro Orange Line 12	MO 12	2025	Kalyan – Dombivali – Taloja	Navi Mumbai Others
Metro Magenta Line 14	MM 14	2026	Vikhroli – Badlapur (indicative)	Eastern Suburbs and Thane
Thane Metro	TM 15	2026	Raila Devi – New Thane (indicative)	Thane
Navi Mumbai Metro	NM 16	2024	Belapur – NMIA (indicative)	Thane-Belapur Road and Navi Mumbai Others

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Mumbai - Map of existing and upcoming metro line



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

6.4 MUMBAI - OFFICE SUBMARKETS

Submarket	Locations	
CBD	Nariman Point, Churchgate, Fort, Ballard Estate, Cuffe Parade	
SBD Central	Lower Parel, Dadar, Worli, Prabhadevi, Parel, Mahalaxmi	
BKC & Annex	BKC	
BKC Outskirts	Kalina, Kurla, Bandra East, Santacruz East	
Western Suburbs	Andheri East, Jogeshwari, Andheri West	
Malad-Goregaon	Goregaon, Malad, Borivali	
Eastern Suburbs	Powai, LBS Marg, Ghatkopar, Vikhroli, Mulund, Sion	
Thane	Wagle Estate, Ghodbunder Road	
Thane-Belapur Road	Airoli, Mahape, Khoparkhairane, Turbhe, Juinagar, Nerul, CBD Belapur	

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Leasing Activity

City Market Trends

Particular	Total Stock (mn sq ft)	Net Absorption (mn sq ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
Overall	125.0	1.0	42.2%	-5.3%	19.0%	-70 bps	-190 bps
CBD	5.0	0.0	202.9%	NA	9.6%	-70 bps	-110 bps
SBD Central	17.0	0.4	111.2%	28.0%	25.6%	-210 bps	280 bps
BKC & Annex	9.3	0.03	-52.2%	69.6%	8.8%	-40 bps	220 bps
BKC Outskirts	7.4	0.11	26.9%	75.2%	13.9%	-150 bps	-1,090 pbs
Western Suburbs	20.2	0.1	299.2%	-63.4%	17.4%	-60 bps	40 bps
Malad-Goregaon	17.1	0.0	-127.9%	-90.2%	14.3%	-10 bps	-40 bps
East Suburbs	15.7	0.1	-272.1%	-51.9%	15.3%	-40 bps	60 bps
Thane	8.9	0.0	-51.6%	-91.3%	17.2%	-10 bps	660 bps
Thane-Belapur Road	20.0	0.3	-33.0%	752.9%	23.2%	-70 bps	-300 bps
Navi Mumbai Others	4.2	0.02	NA	NA	59.1%	-40 bps	-250 bps

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The city's office leasing activity continued to gain momentum in Q1 2023 as most businesses resumed operations and the intensity of work-from-home reduced with the return of employees to the office, albeit with minimal restrictions still in place. While the phased reopening began in the second half 2021, accelerated revival in market conditions was witnessed, especially towards the end of 2022. However, we did see occupiers becoming cautious as a slowdown in global economy and high inflation levels prevailed. The quarter witnessed sluggish leasing activity of 1.5 million sq ft (Gross Leasing Volume) as compared to the previous quarter with 3.3 million sq ft. However, the GLV for the quarter was at par with the pre pandemic levels, thanks to some resilience from the Manufacturing/Industrial, Consulting, BFSI and IT/ITeS sectors. During the quarter, the Thane-Belapur Road, BKC & Annex, BKC Outskirts, Western Suburbs and SBD Central sub-markets were the most active and saw better leasing activity when compared to other sub-markets. Mumbai office space saw a net absorption of 1.01 million sq ft in Q1 2023, which was 42% higher q-o-q. A major part of this net absorption was attributable to the office space take-up in projects recently completed in 2021–2022.

Leasing activity gained momentum as the pandemic-induced restrictions were scaled back, and also due to strong performance by domestic industries and an increase in the percentage of employees returning to the office. Enquiries for new office space and expansion-driven space increased during the quarter. Co working operators continued to take-up space as demand for managed workspaces gathered momentum. All major pre-commitments remained intact; moreover, some occupiers exercised their hard option to take additional space. Office space leasing activity during the quarter was mostly driven by large to medium-sized deals. Redbrick Offices Ltd. leased additional 17,537 sq ft in Kaledonia in Western Suburbs and Executive Centre renewed 10,829 sq ft in The Capital, in BKC & Annex. Within the Non-IT category, Aditya Birla Finance leased 76,004 sq ft at G Corp Tech Park, Thane and in the IT/ITeS category Hi Solutions renewed 89,759 sq ft in Hiranandani Business Park Lighthall B in Western Suburbs.

Post COVID the city has witnessed increased demand by the occupiers from the medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. In 2023, we expect demand to outpace supply, leading to a decrease in vacancy levels.

Vacancy

Quarterly net absorption outpaced new supply and pushed the vacancy rate down to 19% in Q1 2023. All the submarkets recorded a decrease in vacancy levels, on a q-o-q basis. The overall impact was a 70-bps q-o-q decline in the city's vacancy level.

New Supply

Post-pandemic construction activity has been going on at the optimum level and continued at similar levels during the quarter. However, few project completions were deferred to next quarter as they await their occupation certificates. Only one project - Newa Non-IT Bhakti Knowledge Park Phase 1 (0.15 mn sq ft), in Thane-Belapur Road was completed during the quarter. This led to the total Grade A stock for Mumbai increasing by 0.15 million sq ft to 125 million sq ft.

The pace of construction activity was at an optimum level as most of the COVID-related restrictions have been removed. By end-2027, overall stock is expected to see an addition of around 40 million sq ft of Grade A space, with Thane-Belapur Road, SBD Central, BKC Outskirts and Malad-Goregaon sub-markets combining to account for 80% of the future supply.

Outlook

About 7.5 million sq ft of office space is scheduled to complete in 2023. An optimum pace of construction activity is expected, barring any unexpected fresh COVID-19 outbreaks. Demand for flex space and managed workspaces is likely to be high as occupiers prefer fully fitted options to save on costs while gaining flexibility in their portfolio as part of their evolving workspace strategy.

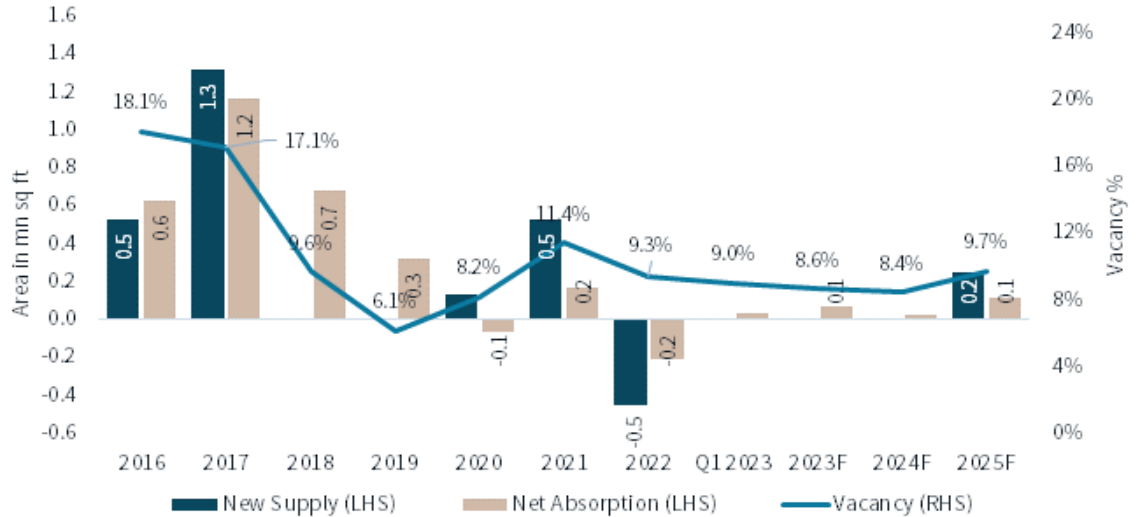
Total net absorption in 2023 is expected to be around 4.8 mn sq ft. Demand is expected to be driven by medical technology, health analytics, online education, data centres, gaming, pharma and FMCG sectors. Towards end-2023, supply is expected to outpace demand, leading to an increase in vacancy rates. Capital values are expected to rise faster than rents due to rising investor interest, leading to a compression of yields in key submarkets for quality assets.

6.5 MICRO MARKET : BKC & ANNEX

The Square BKC project lies in the BKC & Annex micro market.

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate

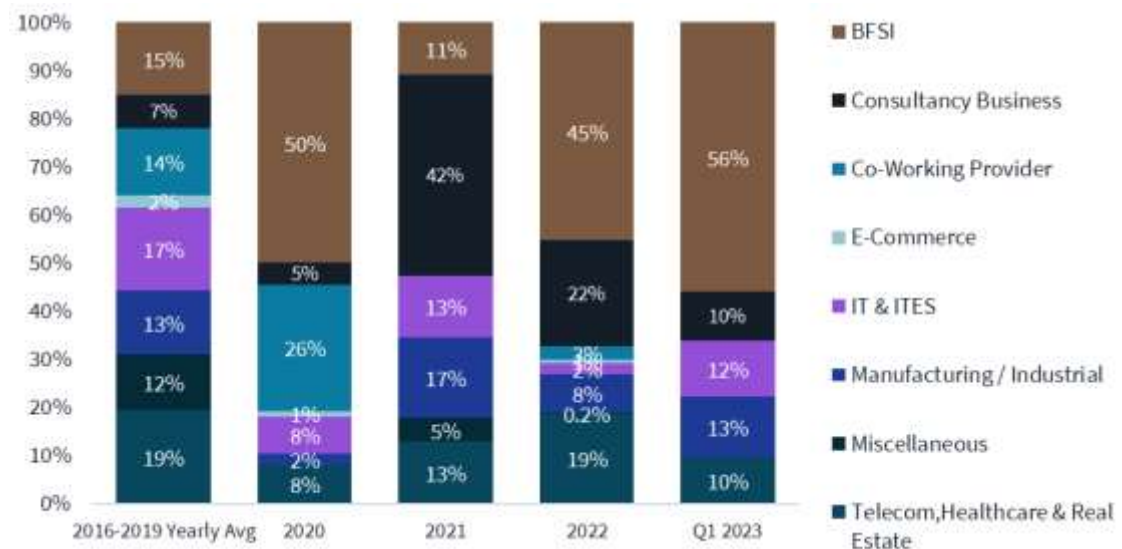


Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The Square BKC project lies in the BKC & Annex micro-market.

Leasing Activity

Occupier share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The sub-market witnessed a below-average net absorption of 31,342 sq ft in Q1 2023. This low absorption can be attributed to extremely low vacancies and limited availability of quality space in BKC & Annex. A new trend was observed, wherein demand from vacancy-strapped premium business submarkets, like BKC & Annex and CBD, spilled over to BKC Outskirts and SBD Central as tenants searched for similar-quality projects at lower rents. Upgrad Education Private Limited pre-committed 178,000 sq ft in BKC 51 and Piramal Capital & Housing Finance

leased 98,949 sq ft in Piramal Agastya Business Park in BKC Outskirts, and while Bank Of China renewed 9,268 sq ft in Maker Maxity in BKC & Annex during the quarter.

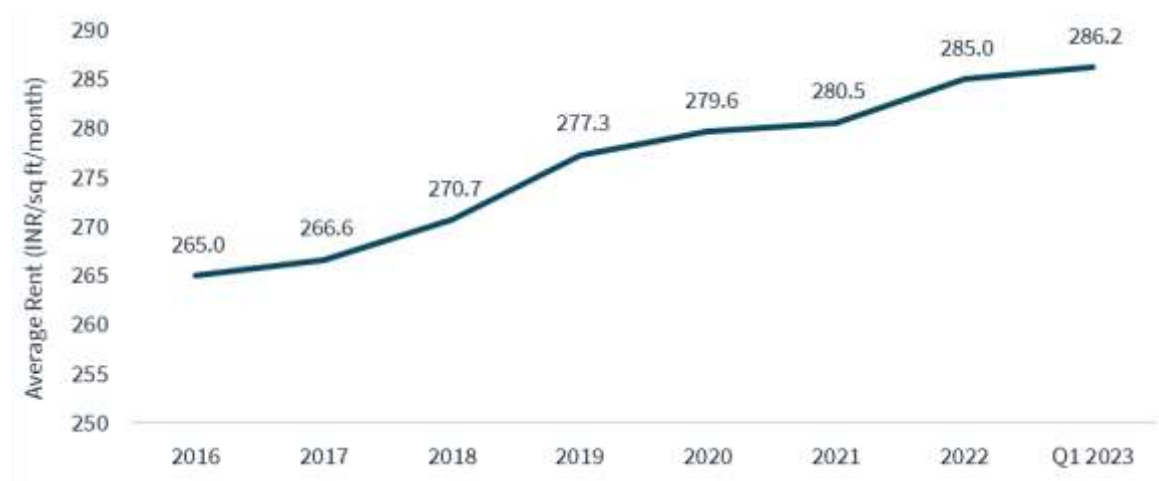
Supply

No new projects were completed during the quarter; hence, the stock remained the same at 16.7 million sq ft, representing 13% of total city commercial Grade A space.

Vacancy

Positive net absorption with no addition to the stock led the vacancy rate to drop further to 8.8% during the quarter. Prominent projects, One BKC and Godrej BKC, are operating at 90–95% occupancy, whereas Maker Maxity has tight vacancy levels of 0-5%.

Rents



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Note: Mindspace REIT micro markets, 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.

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market

Table 6.1: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Occupier Name	Name of the Building	Location	Area Lease d (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
1	Avendus Capital Private Limited	Platina	BKC	98,692	276 - 280	Q3 2022
2	Credavenue Private Limited	Godrej BKC	BKC	37,416	288 - 292	Q3 2022
3	International Finance Corporation	Godrej BKC	BKC	34,968	292 - 296	Q4 2022
5	Exective Centre India Private Limited	Maker Maxity Tower 4 North Avenue	BKC	29,914	388 - 392	Q3 2022
6	Sony Music Entertainment India Private Limited	First International Finance Centre	BKC	29,644	283 - 287	Q3 2022
7	National Bank for Financing Infrastructure & Development	The Capital	BKC	28,546	308 - 312	Q1 2023
9	Aseem Infrastructure Finance Limited	Godrej BKC	BKC	16,500	273 - 277	Q4 2022
10	Trinity Digimarketing Services LLP	Maker Maxity - Tower 4 North Avenue	BKC	15,130	378 - 382	Q3 2022
11	SAP India Private Limited	Platina	BKC	14,975	258 - 262	Q3 2022
12	Sumitomo Mitsui Banking Corporation	Platina	BKC	11,546	273 - 277	Q4 2022
13	BNP Paribas Securities India Private Limited	Maker Maxity - Tower 1 North Avenue	BKC	10,935	487 - 491	Q3 2022
14	Executive Centre India Private Limited	The Capital	BKC	10,829	247 - 251	Q1 2023
15	DuPont Speciality Products Private Limited	Maker Maxity - Tower 2 North Avenue	BKC	10,688	471 - 475	Q3 2022
16	Gallagher Insurance Brokers Private Limited	One BKC	BKC	10,538	373 - 377	Q3 2022
17	Paypal Payments Private Limited	Godrej BKC	BKC	8,203	313 - 317	Q1 2023
18	AGM India Advisors Private Limited	Maker Maxity - Tower 2 North Avenue	BKC	7,955	473 - 477	Q1 2023
19	Ares SSG Capital Management India Private Limited	One BKC	BKC	7,512	258 - 262	Q1 2023

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The lease transactions in the BKC & Annex micro market are recorded in the range of INR 165 – 490 per sq. ft. per month. BKC & Annex commands premium rents as it offers the city's best-quality office buildings, with the average rent of BKC & Annex at INR 284.8 per sq ft per month. In recent times, BKC has become one of the most expensive business submarkets in the country. Market rent for Square BKC Project has been considered in line with the achievable market rent for completed buildings at INR 275 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within the Country

The table below present details of few large sale transactions. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions are witnessed in the range of 7.75% to 9.0%.

Table 6.2: List of transactions / deals in recent past:

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The Square BKC is one of the known commercial developments in BKC & Annex Micro-Market at BKC in Mumbai City. The Project is a part of Mindspace Business Parks REIT (Mindspace REIT) portfolio. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A space spread across one blocks with good amenities and facilities. The project is a preferred commercial development in this micro-market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 7.75%.

Outlook

Limited supply in BKC & Annex is likely to drive rents upwards marginally in the near-term. Moreover, domestic and foreign investors remain attracted to the BKC sub-market for its investment opportunities, given its superior-quality office buildings, proximity to the airport and good connectivity with the rest of the city. The redevelopment of government buildings is likely to bring some relief to the weak supply conditions in the sub-market, especially now that private builders have been granted permission to participate in the redevelopment of E Block of BKC.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, tenancy agreements were reviewed.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project has been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction / future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant / under-construction / future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimation 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 lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.3 CONSTRUCTION TIMELINES

As mentioned earlier, the Project has approx. 0.15 Mn sq. ft. of Leasable Area and it is a fully completed and operational asset. The project has received full occupancy certificate. However, there is CAPEX (Upgrade Cost) to the tune of approx. INR 8 million which shall be completed by Q1 FY24.

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows: -

- ~100% of the space is taken by BFSI sector. (Single tenant - IDFC First Bank Limited)

7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-2033	As per workings

Parameters	Assumptions / Inputs	Remarks / Basis
Asset Details		
Total Leasable Area	146,350 sq ft	As per the information provided by the Client
Leased Area	146,350 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	Nil	As per the information provided by the Client
Vacant Area / Vacancy Allowance	Nil	As per the information provided by the Client
Vacant Area / Vacancy Allowance	2 %	As per market benchmarks for large scale Grade A office projects. .
Area to be Leased	Nil	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the market
Rent Free Period for New Leases	3 months	As prevalent in the market
No. of Car Parking Spaces Leased	2 levels of basement parking's	As per the information provided by the Client
Construction Related Assumptions		
Approx. Construction Cost to be incurred	INR 8 Mn	As per the information provided by the Client
Estimated Completion Date for Incurring the Expenditure	Q1 FY24	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e. 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent - Office	INR 275 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 270 – 280 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 280 - 290 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	Not Applicable	
Market Rent - Car Parking Space	Not Applicable	

Parameters	Assumptions / Inputs	Remarks / Basis
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent - Kiosk	Not Applicable	
Market / Marginal Rent - Terrace	Not Applicable	
Other Income	Nil	
Market Rent Growth from FY 2024-25	5.0% per annum (FY25, FY26 and FY27) 5.0% per annum FY28 onwards	As prevalent in the market
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 6.0 per sq. ft. per month	The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 5.0 per sq. ft. per month	As shared by client and as prevalent in the market
Property Tax	INR 6.9 per sq. ft. per month	As shared by client and as prevalent in the market
Insurance	INR 0.6 per sq. ft. per month	As shared by client and as prevalent in the market
Cost Escalation	3% per Annum	As prevalent in the market.
CAM Escalation	5% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges if any	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income if any)	As prevalent in the market

Parameters	Assumptions / Inputs	Remarks / Basis
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 7.75% (post yield shrinkage). Capitalized based on the net cash flow of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is estimated to be as follows:

Table 7.3: Market Value of the Project

Component	Market Value as on	Market Value (INR Mn)	In Words
Commercial / Office Space incl. Amenities - Completed	31 st March 2023	4,652.57	INR Four Billion Six Hundred Fifty-Two Million Five Hundred Seventy Thousand Only
TOTAL VALUE		4,652.57	INR Four Billion Six Hundred Fifty-Two Million Five Hundred Seventy Thousand Only

Note: The above-mentioned value includes proportionate undivided ownership in the Amenities, Utility Areas and Internal Roads and total open spaces of the Entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project comprising total leasable area of 146,350 sq. ft. of Project, The Square located in BKC, Mumbai, Maharashtra, India is estimated to be **INR 4,652.57 million (INR Four Billion Six Hundred Fifty-Two Million Five Hundred Seventy Thousand Only).**

Table 7.4: Ready Reckoner Rate of the Project

Component	Ready Reckoner Rate (INR per sq.m)
Commercial (Built-Up Area)	345,060
Land Area (Open Plot)	161,070

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

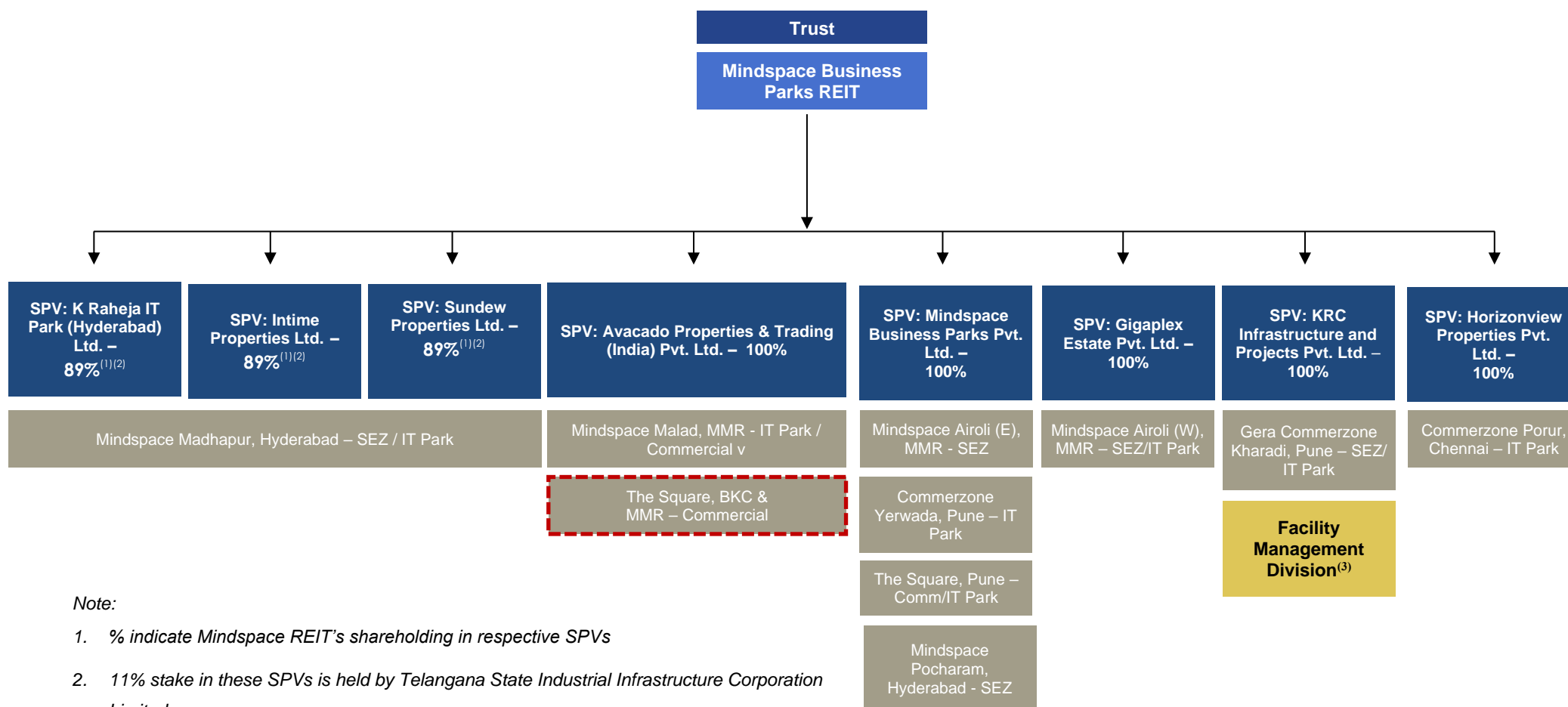
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

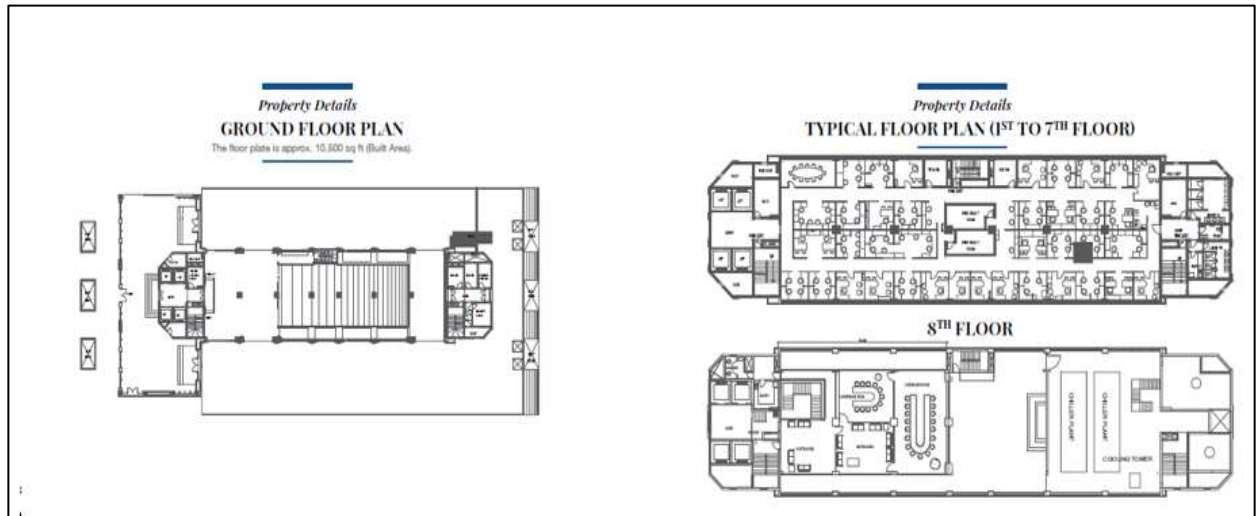
Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2 Layout Plan of the Project



Source: Client 31st March 2023

Annexure - 3

Statement of Key Assets within the Project

Building	No. / Name	C-61
Floor	Nos	2B+G+8
Warm Shell / Bare shell		Warm shell
Air Cooled Chiller	TR	NA
Water Cooled Chiller	TR	3 x 320
No of Elevators /Make	No/ Make	2- Mitsubishi, 1-Otis
No of DG / Capacity	No. / KVA	2 x 1010
No of Transformers / Capacity	No./ KVA	NA
Booster Pump	KW / Make	3.6 - Kirloskar Brothers
Jockey Pump	KW / Make	2 x 9.3 - Kirloskar Brothers
Fire Diesel Pump	KW / Make	149
Hydrant Pump	KW / Make	2 x 55 - Kirloskar Brothers
Sprinkle Pump	KW / Make	55 - Kirloskar Brothers
STP Rating	KLD	100

Source: Client 31st March 2023

Annexure - 4

Approvals and NOCs Received for the Project

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

Approvals Received

- a) Full Occupancy Certificates
- b) Height Clearance NOC from AAI
- c) One-time Fire NOC and
- d) Form B

Approvals Pending

- a) None

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Annual Statement of Rates							
Year	20232024 ▼						
Selected District	Mumbai (suburb) ▼						
Select Village	Kolekalyan (Andheri) ▼						
Search By	<input checked="" type="radio"/> Survey no <input type="radio"/> Location						
Enter Survey No	4207		Search				
subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs./)	Attribute
31/173A-G Block in Bandra Kurla Complex and adjoining properties.	161070	300060	345060	403300	300250	square meters	CTS No

Source: IGR Maharashtra

Annexure - 6

Cash Flow Profile

Table 7.5: Discounted Cash Flow (INR Mn)

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred (including upgrades)		8.00	-	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		421.49	421.49	421.49	435.54	463.64	463.64	479.09	510.00	428.67	551.59	576.42
B	Car Parking Income		-	-	-	-	-	-	-	-	-	-	-
C	Fit-out rentals/ tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		421.49	421.49	421.49	435.54	463.64	463.64	479.09	510.00	428.67	551.59	576.42
E	Maintenance services income		11.06	11.62	12.20	12.81	13.45	14.12	14.83	15.57	13.51	16.82	17.66
F	Other Operating Income		-	-	-	-	-	-	-	-	-	-	-
G	Revenue from Operations		432.55	433.11	433.69	448.35	477.09	477.76	493.92	525.57	442.18	568.42	594.08
	Direct Operating Expenses												
H	Maintenance services Expenses		9.22	9.68	10.17	10.67	11.21	11.77	12.36	12.97	13.62	14.30	15.02
I	Property Tax		12.56	12.93	13.32	13.72	14.13	14.56	14.99	15.44	15.91	16.38	16.88
J	Insurance Premium		1.15	1.18	1.22	1.25	1.29	1.33	1.37	1.41	1.45	1.49	1.54
K	Net Operating Income (NOI)		397.11	396.79	396.46	410.18	437.93	437.58	452.68	483.22	398.67	523.71	548.12
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	7,001.80	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	-	-	-	-	-	-	-	46.22	-	-
M	Property Management Fee		14.75	14.75	14.75	15.24	16.23	16.23	16.77	17.85	15.00	19.31	20.17
N	Other operational expenses		8.43	8.43	8.43	8.71	9.27	9.27	9.58	10.20	8.57	11.03	11.53
O	Net Cashflows		365.92	373.60	373.28	386.22	412.43	412.08	426.33	455.17	328.88	7,495.17	516.42

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

Annexure - 7

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Commerzone, Yerwada, Pune

Maharashtra, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

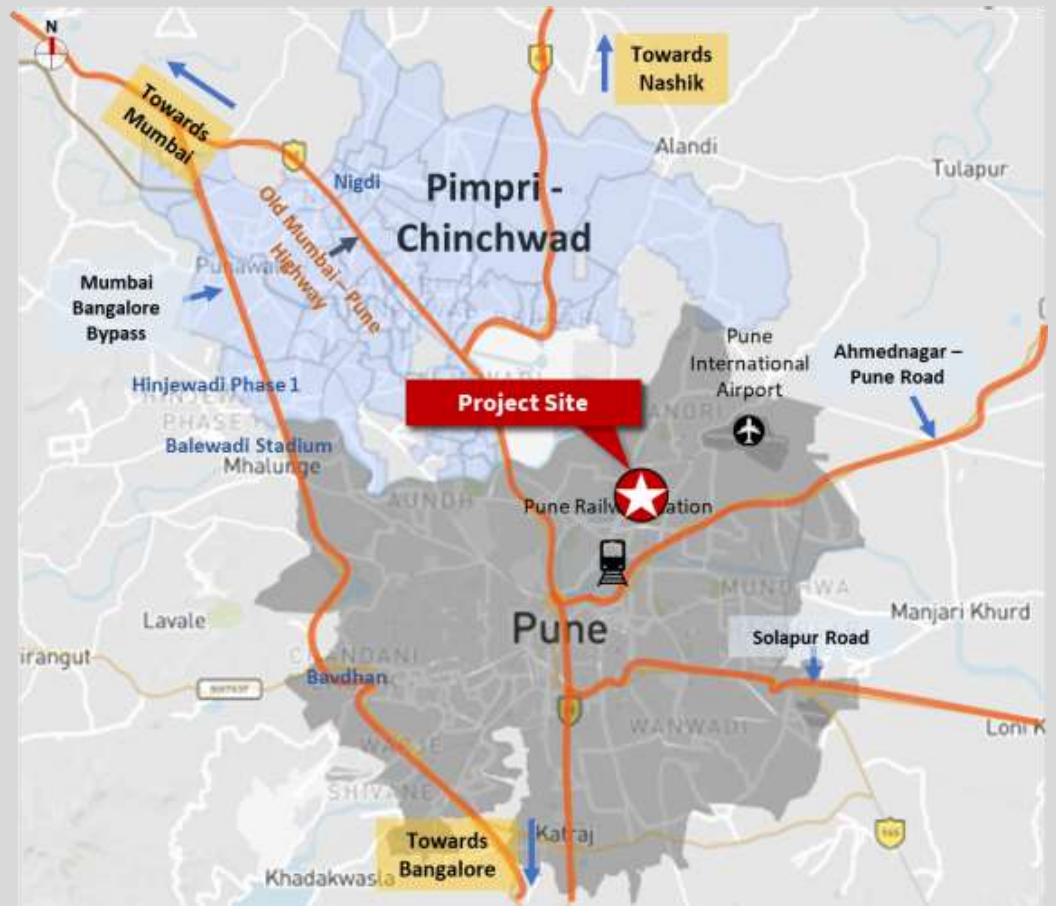
Property Name	Commerzone IT Park, Yerwada, Pune, Maharashtra, India
Property Address	Commerzone Yerwada, Samrat Ashok Path, Commerzone IT Park, Yerwada, Pune, Maharashtra 411006.
Land Area	~25.7 Acres
Brief Description	<p>The property is located in the northeastern part, in the Secondary Business District East micro market of Pune City along the Jail Road. It is located at a distance of about 6.5 km from the Phoenix Market City and about 700 m. from Alandi Road, which further connects to Pune Ahmednagar Highway.</p> <p>The property is a Grade-A IT park and is developed as commercial / office space comprises of 1,667,889 sq. ft of leasable area under six (6) IT Buildings (B1, B4 B5, B6, B7, & B8) and an Amenity Building. The property has good frontage along the access road and has 3 entrances. One of the entrances is only dedicated to Building B8.</p> <p>The property is surrounded by mixed-use development comprising residential, retail, and commercial developments.</p>

Asset Details Leasable area details as shared by the Client is given below:

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1	43,200
2.	Building 4	207,460
3.	Building 5	371,399
4.	Building 6	179,269
5.	Building 7	372,858
6.	Building 8	424,182
7.	Amenity	79,521
	Total Leasable Area	1,677,889

Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.

Location Map



Key Assumptions

The table below summarizes key valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office with Amenities
Current Status	Completed and Operational
Total Leasable Area	1,677,889 sq. ft.
Revenue Assumptions	
In-Place Rent	INR 71.7 per sq. ft. per Month
Market / Marginal Rent	INR 78.0 per sq. ft. per Month
Parking Rent	INR 2,250 per CPS per Month
Financial Assumptions	
Exit Cap Rate	8.00%
Discount Rate / WACC	11.75%

Market Value

For Completed Project - INR 19,388.91 Mn (INR Nineteen Billion Three Hundred Eighty Eight Million Nine Hundred and Ten Thousand Only)

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LIST OF ABBREVIATIONS

CBD	Central Business District
CY	Current Year
INR	Indian National Rupees
IT/ITES	Information Technology/IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
km	Kilo-metre
NH	National Highway
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft.	square feet
sq. m.	square metre
WACC	Weighted Average Cost of Capital

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project named **Commerzone (Building 1, 4, 5, 6, 7, 8 and Amenity)** located in **Yerwada, Pune**, Maharashtra, India (hereinafter referred to as the 'Project'). The Project is an operational IT Park having leasable area of about 1.68 million sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1	43,200
2.	Building 4	207,460
3.	Building 5	371,399
4.	Building 6	179,269
5.	Building 7	372,858
6.	Building 8	424,182
7.	Amenity	79,521
	Total Leasable Area	1,677,889

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master's in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal

Institution of Chartered Surveyors (“RICS”), Fellow and Lifetime Member of Institute of Valuers, India (“IOV”), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER’S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, Limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 02 April 2023 by the Valuer in the presence of Client-nominated representative and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 GENERAL COMMENT

A valuation is an estimation 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 Project 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.

1.9 CONFIDENTIALITY

The contents of this Valuation Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any

other party in respect of the whole or any part of its contents- except as maybe required in connection with the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, under the applicable law.

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search,, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects. , etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational commercial / office space, the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property
 - Revenue pendency if any
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted a exit cap rate of 8.00% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the Project Site against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the project. The derived discount rate was found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Commerzone IT Park, Yerwada, Pune, Maharashtra, India																											
Property Address	Commerzone Yerwada, Samrat Ashok Path, Commerzone IT Park, Yerwada, Pune, Maharashtra 411006.																											
Land Area	~25.7 Acres																											
Brief Description	<p>The property is located in the north-eastern part, in the Secondary Business District East micro market of Pune City along the Jail Road. It is located at a distance of about 6.5 km from the Phoenix Market City and about 700 m. from Alandi Road, which further connects to Pune Ahmednagar Highway.</p> <p>The property is developed as commercial / office space comprises of 1,667,889 sq. ft of leasable area under six (6) IT Buildings (B1, B4, B5, B6, B7, & B8) and an Amenity Building. The property has good frontage along the access road and has 3 entrances. One of the entrances is only dedicated to Building B8.</p> <p>The property is surrounded by mixed use development comprising residential, retail, and commercial developments.</p>																											
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table><tr><th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>Building 1</td><td>43,200</td></tr><tr><td>2.</td><td>Building 4</td><td>207,460</td></tr><tr><td>3.</td><td>Building 5</td><td>371,399</td></tr><tr><td>4.</td><td>Building 6</td><td>179,269</td></tr><tr><td>5.</td><td>Building 7</td><td>372,858</td></tr><tr><td>6.</td><td>Building 8</td><td>424,182</td></tr><tr><td>7.</td><td>Amenity</td><td>79,521</td></tr><tr><td colspan="2">Total Leasable Area</td><td>1,677,889</td></tr></table> <p>Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.</p>	Sl.	Building Name	Leasable Area (sq. ft.)	1.	Building 1	43,200	2.	Building 4	207,460	3.	Building 5	371,399	4.	Building 6	179,269	5.	Building 7	372,858	6.	Building 8	424,182	7.	Amenity	79,521	Total Leasable Area		1,677,889
Sl.	Building Name	Leasable Area (sq. ft.)																										
1.	Building 1	43,200																										
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5.	Building 7	372,858																										
6.	Building 8	424,182																										
7.	Amenity	79,521																										
Total Leasable Area		1,677,889																										
Valuation Methods	<p>The estimate of Market Value is prepared using following methods:</p> <table><tr><th>Sl - No.</th><th>Asset Type</th><th>Methodology Adopted</th></tr><tr><td>1.</td><td>Completed Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr></table>	Sl - No.	Asset Type	Methodology Adopted	1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion																					
Sl - No.	Asset Type	Methodology Adopted																										
1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion																										
Nature of the Interest by the Client	100% freehold interest in the Project as informed by the Client																											
Purchase Price of the Project	INR 16,656 million, as given by the Client																											

Historical Valuation of the Project in 3 Previous Years

Below table summarizes historical valuation of the Project as given by the Client:

Sl.	Date of Valuation	Market Value (INR Mn)
1.	30-Sep-2022	19,642
2.	31-Mar-2022	19,814
3.	30-Sep-2021	19,848
4.	31-Mar-2021	19,606
5.	30-Sep-2020	19,050
6.	31-Mar-2020	19,100

Ready Reckoner Rate

Built-up Area (Office) – INR 112,770 per sq mt
Land Area - INR 29,510 per sq mt

Date of Valuation

31-Mar-2023

Date of Inspection

02-Apr-2023

Market Value as on 31-Mar-2023

For Completed Project - INR 19,388.91 Mn (INR Nineteen Billion Three Hundred Eighty Eight Million Nine Hundred and Ten Thousand Only)

Matters Affecting the Property and its Value

Please refer to Chapter 7 of this Valuation Report

Assumptions, Disclaimers, Limitations and Qualifications

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

Prepared by**KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164)**

Represented through its Director

Mr. Sachin Gulaty FRICS FIV FIIA

IBBI/RV/02/2021/14284

**Name:** Sachin Gulaty FRICS FIV FIIA**Designation:** Director**Valuer Registration No.:** IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

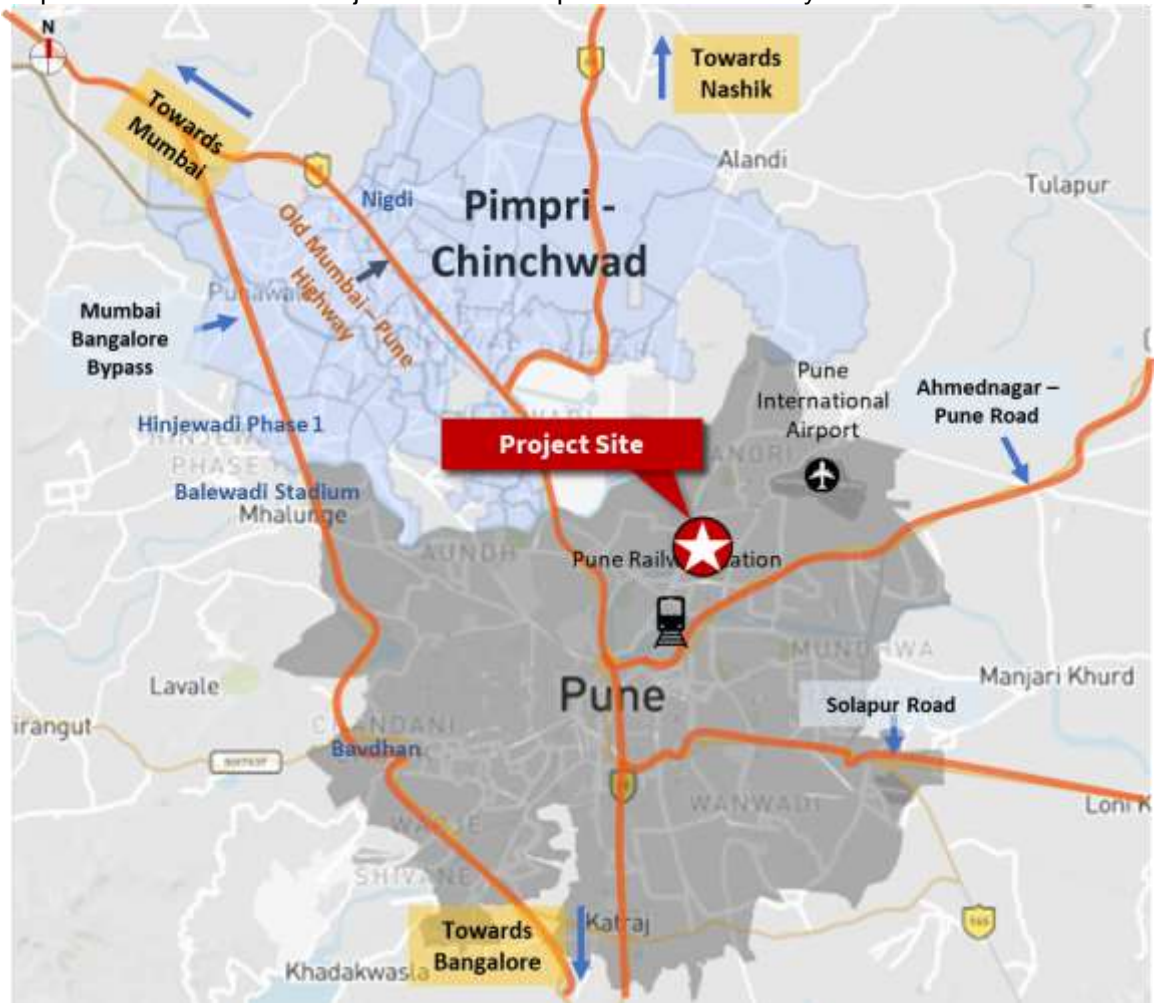
Table 5.1: Details of the Project Site and/or Project

DETAILS OF PROPERTY			
Property Name	Commerzone IT Park, Yerwada, Pune, Maharashtra, India		
Property Address	Commerzone Yerwada, Samrat Ashok Path, Commerzone IT Park, Yerwada, Pune, Maharashtra 411006.		
Land Area	~25.7 Acres		
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:		
	Sl.	Building Name	Leasable Area (sq. ft.)
	1.	Building 1	43,200
	2.	Building 4	207,460
	3.	Building 5	371,399
	4.	Building 6	179,269
	5.	Building 7	372,858
	6.	Building 8	424,182
	7.	Amenity	79,521
		Total Leasable Area	1,677,889
Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.			
Access	Accessible through approx. 18 m. wide Jail Road and 20 m. wide Internal Road		
Frontage	Approximately 150 m. frontage along Jail Road Yerwada		
Shape and Visibility	Regular in shape. Relatively flat terrain. Excellent visibility from Jail Road Yerwada		
Approval Status	Project has requisite approvals in place as confirmed by the Client.		
INFRASTRUCTURE			
Water Supply, Sewerage & Drainage	Available within the Project		
Power & Telecommunication	Available within the Project		

5.2 LOCATION OF THE PROJECT

The Project is located in the northeastern part, Secondary Business District (SBD) East micro market of the city along the Jail Road. It is located at a distance of about 6.5 km from the Phoenix Market City and about 700 m from Alandi Road, which further connects to Pune Ahmednagar Highway. The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Pune City



Source: Real Estate Market Research & Analysis; JLL, March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Pune Railway Station	6.0
Pune International Airport	5.0
Viman Nagar Chowk	5.0
Phoenix Market city	6.5
Shivaji Nagar	10.0
Pune University	10.0

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as commercial / office space along Jail Road in Yerwada. The Project is surrounded by mixed use development comprising residential, retail, and commercial asset classes. The Project is spread across 25.7 acres of land. The Project has good frontage along the access road and has 3 entrances and has a relatively flat topography with no significant variations in the height of the land. The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments

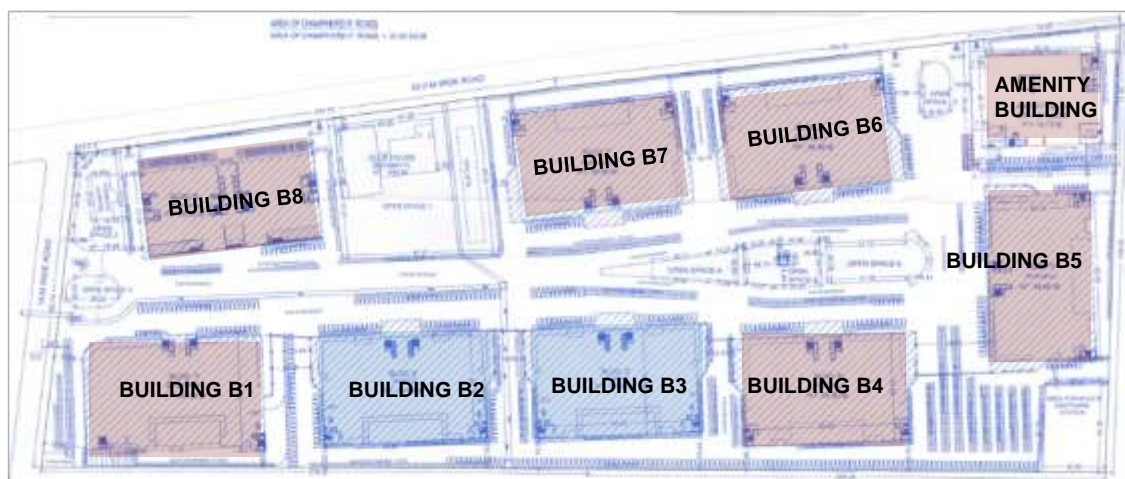


Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project has good accessibility due to its location along the Jail Road and Internal Road and vicinity to Pune Ahmednagar Highway. Upcoming Metro Aqua Line and BRTS Corridor will enhance the connectivity of Project with other parts of the city and travel time in the future.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, March 2023

Note: Buildings marked in Red are considered for valuation in this report.

The table below presents the boundary/edge conditions of the Project Site.

Table 5.3: Project Site and its Site Boundaries

North	Jail Road
South	Vacant Land
West	Vacant Land
East	Internal Road

Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project Site is predominantly surrounded by commercial, residential and hospitality developments in the vicinity. Grade A commercial / office developments and premium residential developments are also present in the micro-market.

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 1,677,889 sq. ft. spread across six (6) IT Buildings (B1, B4, B5, B6, B7, & B8) and an Amenity Building. All building blocks are completed & operational and are non-SEZ buildings. The table in the following page presents details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building 1	43,200
2.	Building 4	207,460
3.	Building 5	371,399
4.	Building 6	179,269
5.	Building 7	372,858
6.	Building 8	424,182
7.	Amenity	79,521
	Total Leasable Area	1,677,889

Source: Client, March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Total Amenity Plot and the premises on which the Amenity Building is situated
- Total utility areas and internal roads
- Total open spaces

The table below presents key asset specific information

Table 5.5: Key Asset Specific Information of the Project

Particulars	Description
Name of the Entity	Mindspace Business Parks Private Limited
Interest owned by Mindspace REIT	Project is wholly owned by Mindspace Business Parks Private Limited which is 100% owned and controlled by the Mindspace REIT ^{1/}
Land Extent	~25.7 acres
Asset Type	IT Park with Non-SEZ buildings

Particulars	Description		
Sub-Market	SBD East		
Approved and Existing Usage	IT Offices		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	Building 1	~ 11 years
	2.	Building 4	~ 14 years
	3.	Building 5	~ 8 years 6 months
	4.	Building 6	~ 14 years
	5.	Building 7	~ 14 years
	6.	Building 8	~ 7 years 7 months
	7.	Amenity	~ 5 years 8 months
Current Status	100% Complete and Operational		
Approvals Status	Project has requisite approvals in place as confirmed by the Client.		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	1.68 million sq. ft.		
Occupied Area	1.68 million sq. ft.		
Occupancy ^{3/}	98.4%		
Committed Occupancy ^{4/}	99.9%		
Number of Tenants	Total 22 Tenants		

^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 1.68 million sq. ft.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers











5.5 PROJECT INSPECTION

The Project is part of a larger campus having total leasable area of 1,677,889 sq. ft. spread across six (6) IT Buildings (B1, B4, B5, B6, B7, & B8) and an Amenity Building. All building blocks are completed & operational and are non-SEZ buildings, as on the date of inspection by the Valuer. The Project was inspected by the Valuer on 02 April 2023.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance within the operational buildings. The utility areas also appeared well maintained, visually. No instances of any major logging or water accumulation were observed during the inspections. The inspections 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 is based completely on visual survey.

Some of the photographs of the Project and surroundings are given below

	
External Views of Buildings	External Views of Buildings
	
View of Internal Lobby Space	View of Parking space
	
View of Services	View of Services
	
View of Internal Pathways	View of Internal Pathways
	
View of Access Road	View of Access Road

5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details and age of structure and type of building is summarized in table below:-

Table 5.6: Area Details and Age of Structure

Sr No.	Building Name	Leasable Area (In Sq. Ft.)	Usage Type	Status	Age of Building
1	Building 1	43,200	Non – SEZ IT	Completed	~11 years
2	Building 4	207,460	Non – SEZ IT	Completed	~14 years
3	Building 5	371,399	Non – SEZ IT	Completed	~8 years 6 months
4	Building 6	179,269	Non – SEZ IT	Completed	~14 years
5	Building 7	372,858	Non – SEZ IT	Completed	~14 years
6	Building 8	424,182	Non – SEZ IT	Completed	~7 years 7 months
7	Amenity	79,521	Non – SEZ IT	Completed	~5 years 8 months

Developable Area of the Project

The total site area of the project is ~25.7 Acres with total leasable area of 1.68 Mn sq ft under 6 Buildings and 1 Amenity Building out of 8 Buildings in total.

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

The exterior of the buildings

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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. Pune where the Project is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

The Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low risk of flooding and perennial water logging.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer (which are specified in Annexure 7), relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS**Tenant Profile of Top 10 Tenants**

As on 31st March 2023, Project Site has 18 tenants (for office space) which include companies like Nvidia, UBS(India), Schlumberger, TCS, BNY Mellon etc. The Project Site's top 10 tenants account for ~87% of the Gross Rental income.

The top 10 Tenants as per Leasable areas is listed below: -

Table 5.7: Top 10 Tenants as per Leasable areas*

Sr No.	Tenant	Leasable Area (Sq Ft)
1	Nvidia Graphics Pvt. Ltd.	371,399
2	Schlumberger India Technology Centre Pvt. Ltd	255,444
3	UBS Solutions India Pvt Ltd	234,386
4	Tata Consultancy Services Ltd	184,858
5	BNY Mellon International Operations (India) Pvt. Ltd	123,997
6	Noble Foundation	79,521
7	Aegis Customer Support Service Pvt. Ltd.	79,460
8	TIBCO Software India Pvt. Ltd	56,000
9	DST Worldwide Services India Pvt. Ltd.	52,000
10	Workday India Pvt. Ltd.	42,000
	TOTAL	1,479,066

* Includes contracted areas for which rent may start at a future date

The top Tenants arranged as per Gross Rents are listed below:

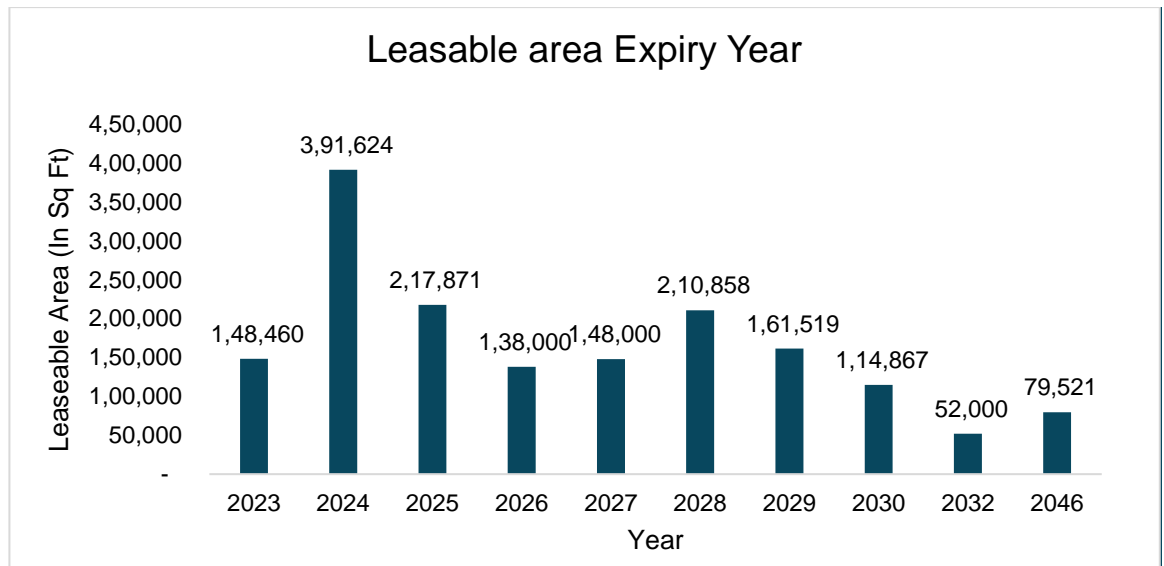
Table 5.8: Top 10 Tenants as per Gross Rentals*

Sr No.	Tenant	Share of Gross Rentals
1	Schlumberger India Technology Centre Pvt. Ltd	17%
2	Nvidia Graphics Pvt. Ltd.	17%
3	UBS Solutions India Pvt Ltd	14%
4	Tata Consultancy Services Ltd	12%
5	BNY Mellon International Operations (India) Pvt. Ltd	9%
6	Aegis Customer Support Service Pvt. Ltd.	5%
7	TIBCO Software India Pvt. Ltd	4%
8	DST Worldwide Services India Pvt. Ltd.	3%
9	Workday India Pvt. Ltd.	3%
10	Noble Foundation	3%
	TOTAL	87%

* Includes contracted areas for which rent may start at a future date

Lease Expiry Analysis

The WALE of the property is 4.5 years, with 54% of occupied area expiring between CY 2023 and CY 2026 as shown in the chart below:



Escalation Analysis

The leases of the Project Site has typically seen rental escalation of 5% every year or 15% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Pune is popularly known as the 'Queen of Deccan India' which has ranked within the top 20 cities globally in JLL's City Momentum Index (CMI) since 2017. Pune has now been declared as the largest city in the state of Maharashtra in terms of geographical area coverage. The city has been a major educational hub since many decades having a presence of premium educational institutes in the country. Pune is also an important industrial hub having a presence of prominent foreign as well as domestic automobile, automobile ancillaries and electronics manufacturers. Attractive demographics and readily available skilled workforce have attracted corporates from various sectors like IT/ITeS, manufacturing, BFSI, consulting etc. to have their set-up in the city. Other drivers like proximity to Mumbai, good connectivity through air, rail and roads, flow of Foreign Direct Investments (FDIs) have been instrumental in its growth. The city was also ranked among the best Indian cities (along with Hyderabad) in Mercer's 21st annual Quality of Living Rankings in 2019. All the above factors, in addition to large-scale urban infrastructure upgrade currently underway in Pune, have made it one of the most attractive real estate investment hubs in the state of Maharashtra after Mumbai.

6.3 INFRASTRUCTURE INITIATIVES

Pune is currently undergoing three major infrastructure development projects. Pune Metropolitan Region Development Authority (PMRDA), Maharashtra Metro Rail Corporation Limited (MMRC), Pune Municipal Corporation (PMC), Maharashtra State Road Development Corporation (MSRDC) and City and Industrial Development Corporation of Maharashtra (CIDCO) are involved in the development of Pune Metro Line 3, Pune Metro Line 1 and 2, Pune Ring Road and New International Airport at Purandar, respectively. Another infrastructure project – Mula Mutha Rejuvenation Project, has been passed for execution in the central part of the city.

Existing Infrastructure

Table 6.1 Existing Infrastructure in the City

Existing Project	Completion timeline	Details	Key Impact Zones
Pune International Airport	2004-05	It is a Military as well as Public airport owned by the Indian Airforce and operated by AAI.	Viman nagar, Yerwada, Kalyani nagar, Kharadi
Pune Junction	Opened: 1858, Rebuilt: 1925	One of the major junctions in Maharashtra connecting Pune to all the major cities of India.	Bund garden road, Camp, Koregaon park
Swargate bus depot	1976	Contains inter-city and intra-city transportation facilities.	Core Pune area / Peth areas
Pune - Mumbai expressway	2002	India's first 6-lane wide concrete, access-controlled tolled expressway. Distance – 94.5 km;	Bavdhan. Pashan, Baner, Balewadi, Hinjewadi, Wakad

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Upcoming Infrastructure

Pune Ring Road - The proposed Pune Ring Road will be developed as an eight-lane expressway with total length of 173 km. Vehicles travelling to areas like Saswad, Nashik, Ahmednagar, Konkan, and Mumbai pass through the city, thus, causing traffic congestion and air and noise pollution. The Ring Road would significantly reduce the travel time and distance. The proposed Ring Road would be developed through a Public-Private Partnership (PPP) and will be developed in 4 parts - the first package will comprise of 29.8 km stretch, second package will comprise of 36.7 km stretch, third package will comprise of 38.3 km stretch, whereas the fourth package will comprise of 68.8 km stretch. Of the 1,900 hectares of land required for the project, 1,740 hectares is private land that must be acquired from 83 villages. A total of INR 1,500 crore has been allocated for land acquisitions, out of which INR 250 crore has been disbursed. Pune Ring Road has got a completion timeline of 2026 from the authorities.

Proposed International Airport - New terminal with a total development size of 40,000 sq. m near the existing Pune International Airport in Lohegaon, is named as Aero mall and has got operational in November 2022. It will cater to the increasing retail and F&B demand of air travellers. The proposed new international airport, Chhatrapati Sambhaji Raje Airport, was supposed to be constructed in Purandar Taluka. However, the Ministry of Defence has cancelled the No Objection Certificate it had issued in August 2021 to the proposed site of the Pune International Airport. So currently, the project has been put on hold.

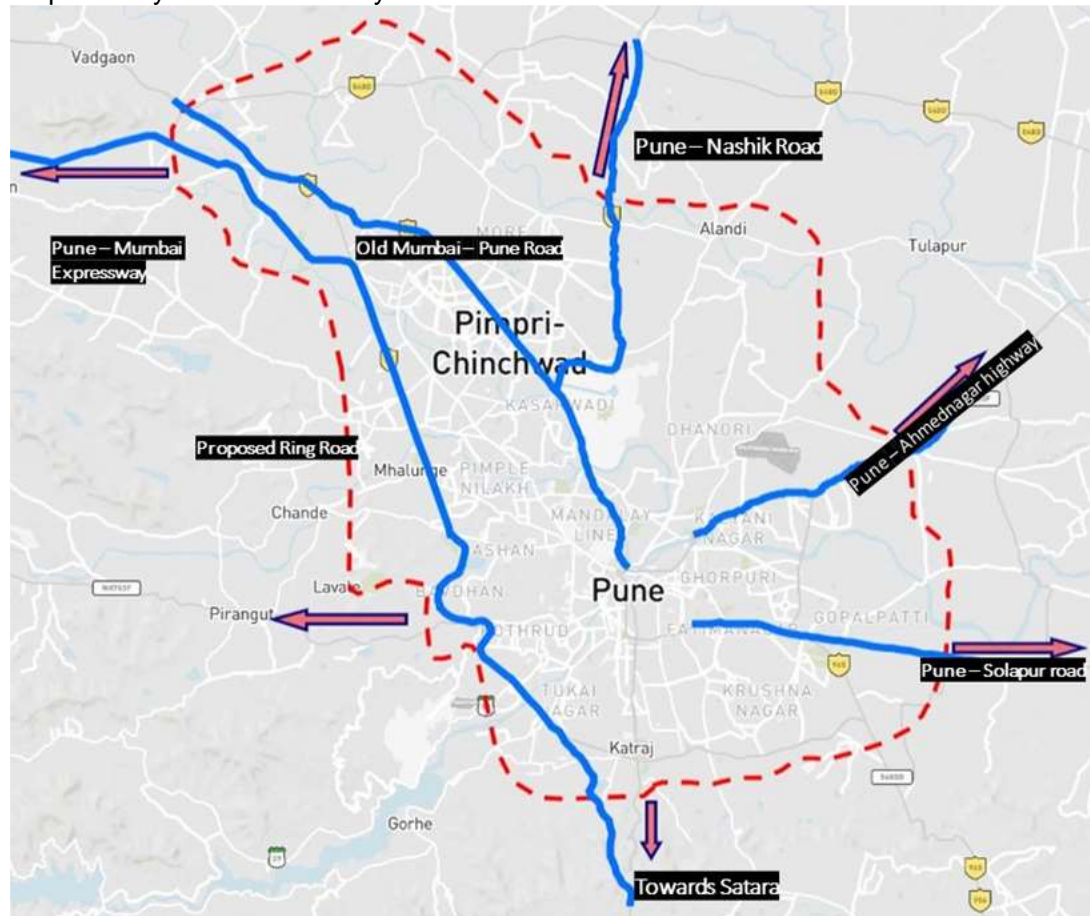
Mula Mutha Rejuvenation Project - Another infrastructure project namely Mula Mutha Rejuvenation Project, has been proposed for development. The rejuvenation project, modelled on the Sabarmati riverfront in Ahmedabad includes the development of 44 km of river stretch, including 22.2 km of Mula river, 10.4 km of Mutha river and 11.8 km of Mula-Mutha river. PMC has decided to include beautification of the 8-km stretch from Bangalore-Mumbai Bypass to Aundh Bridge as a priority stretch, along with 5.3-km stretch from Yerwada to Mundhwa Bridge and 3.7-km stretch from Sangam to Bund Garden.

Table 6.2 Upcoming Infrastructure in the City

Upcoming Project	Completion timeline	Details	Key Impact Zones
Pune Ring Road	Dec 2025	Eight-lane expressway with total length of 173 km. Land acquisition work is under progress. It would be developed using a PPP model in 4 parts.	Talegaon Dabhade, Hinjewadi, Mahalunge, Sus, Lavale, Bhugaon, Bavdhan, Warje, Shivane, Dhayari, Kondhwa, Loni Kalbhor, Manjari, Wagholi, Alandi, Chakan
Chhatrapati Sambhaji Raje Airport, Purandar	On hold	It was supposed to be constructed in Purandar Taluka. Ministry of Defence has cancelled the No Objection Certificate it had issued in August 2021 to the proposed new site of the Pune International Airport	NA
Mula Mutha Rejuvenation Project	NA	Development of 44 km of river stretch, including 22.2 km of Mula river, 10.4 km of Mutha river and 11.8 km of Mula-Mutha river.	Sangamwadi, Bund Garden, Koregaon Park, Mundhwa, Kalyani nagar, Wadgaon sheri, Kharadi, Shivaji nagar, J.M Road, Deccan

Pune – Key roads in the city

Map 6.1 Key Roads in the City



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Existing Metro Rail Lines

Pune Metro Lines - Pune Metro Rail has three lines under construction with a total coverage of 54.58 km. Line 1 runs from the PCMC Building to Swargate and Line 2 runs from Vanaz to Ramwadi. Both these lines are being implemented by MahaMetro and the central government with a 50:50 joint venture. Two priority stretches namely Vanaz to Garware college (5 km) on Line 2 or the Aqua line and PCMC bhavan to Phugewadi (7 km) on Line 1 or the Purple line have become operational from March 6, 2022, onwards. Line 3 which runs from Megapolis circle in Hinjewadi Phase 3 to Shivajinagar, is being constructed by PMRDA and Tata Siemens on a 50:50 joint venture. The construction work on the Hinjewadi to Shivajinagar route (line 3) has been started which has a completion timeline of 2026. The proposed extension of Pune metro Line 1 from Swargate till Katraj which will be completely underground has been approved by the civic body and is expected to be operational till 2027. In addition to this, PMRDA has decided to extend Hinjewadi to the Shivajinagar route (Line 3) to Loni Kalbhor, while Mahametro has proposed a 28 km route from Khadakwasla to Kharadi.

Upcoming Metro Rail Lines

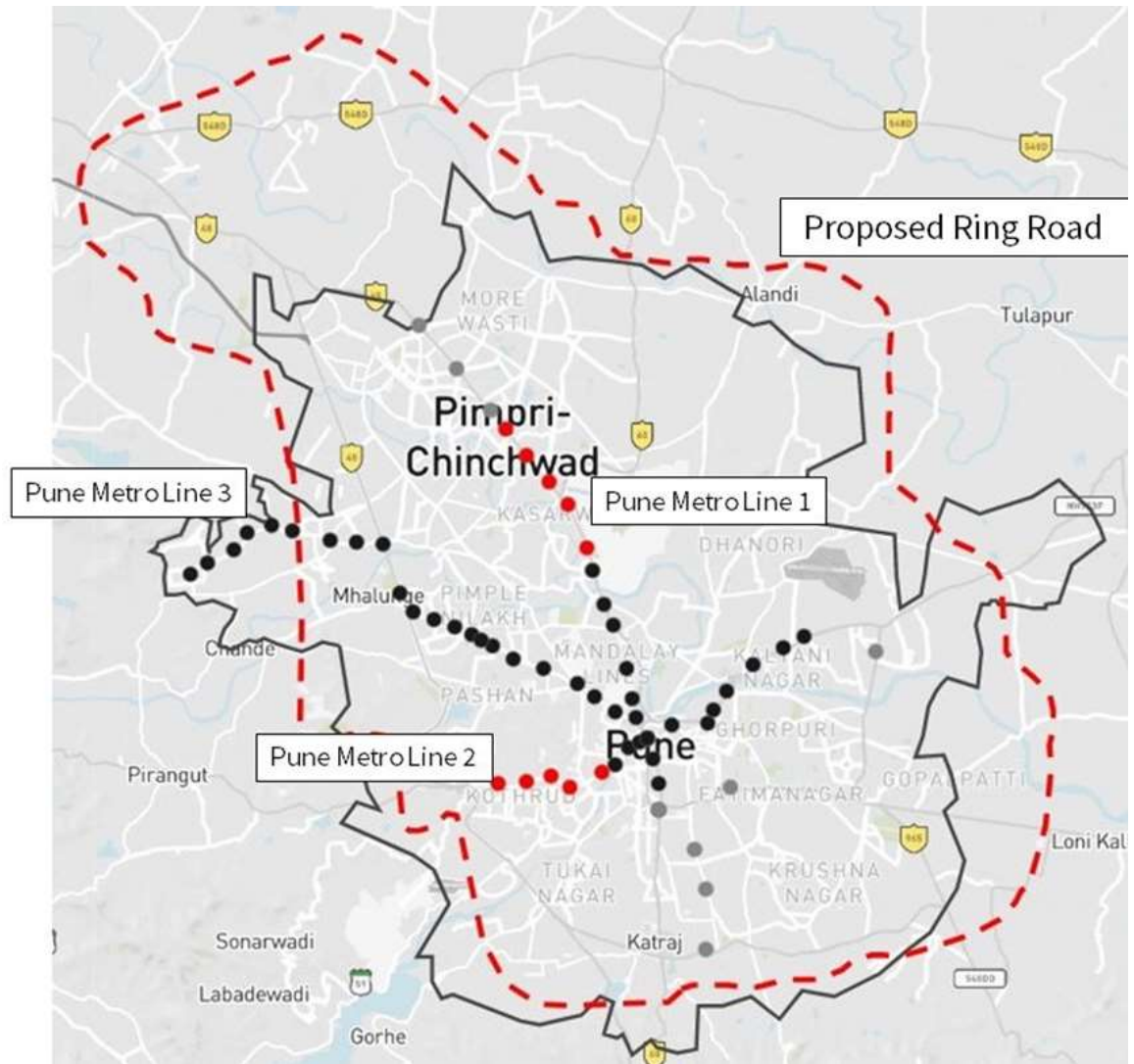
Table 6.3 Upcoming Metro in the City

Upcoming Project	Completion timeline	Details	Key Impact Zones
Pune Metro Line 1 or Purple line	5 km stretch from PCMC Bhavan to Phugewadi operational – March 2022; Complete line – 2023.	Will run from PCMC Bhavan to Swargate; Total length – 16.6 km; No. of stations – 14 out of which 9 stations are elevated and 5 stations are underground. Proposed extension – Swargate to Katraj and PCMC Bhavan to Nigdi.	Pimpri, Chinchwad, Kasarwadi, Pimple Gurav, Sanghvi, Khadki, Range Hills, Shivajinagar, Peth areas (Old Pune)
Pune Metro Line 2 or Aqua line	5 km stretch from Vanaz to Garware college Operational – March 2022; Complete line – 2023	Will run from Vanaz to Ramwadi; Total length – 14.7 km; No. of stations – 16 (all elevated) Proposed extension – Ramwadi to Wagholi	Kothrud, Erandwane, Deccan Gymkhana, J.M Road, PMC Bhavan, Pune Junction, Bund Garden Road, Yerwada, Kalyani nagar, Viman nagar, Kharadi
Pune Metro Line 3	2026	Will run from Megapolis circle in Hinjewadi Phase 3 to Civil court in Shivajinagar. Total length – 23.3 km; No of stations – 23 (all elevated)	Hinjewadi Phase 1,2,3, Wakad, Balewadi, Mahalunge, Baner, Aundh, Pune university, Ganeshkhind road, Shivajinagar.

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Pune - Map of upcoming metro lines and proposed ring road

Map 6.2 Map of Proposed Metro Lines and Ring Road



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

6.4 PUNE - OFFICE SUB MARKETS

The office sub-markets of Pune City are classified into six micro markets based on the market trend as mentioned below.

Table 6.4 Pune Commercial Micro-markets

Submarket	Locations	Map of Pune office market
CBD	Camp, Station Road, Raja Bahadur Mills Road, Dhole Patil Road, Bund Garden Road, Sangamwadi, Koregaon Park, Fergusson College Road, Ganesh Khind Road, Senapati Bapat Road, Shivaji Nagar, Wakdewadi, Shankar Seth Road	
SBD East	Airport Road, Jail Road, Yerwada, Nagar Road, Viman nagar, Kalyani Nagar, Kharadi, Hadapsar	
SBD West	Aundh, Baner, Balewadi, Bavdhan, Nanded Phata, Kothrud, Erandwane, Warje	
Suburbs East	Fursungi, Wagholi	
Suburbs West	Hinjewadi, Pimple Saudagar, Pimpri, Chinchwad, Bhosari.	

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Leasing Activity

City Market Trends

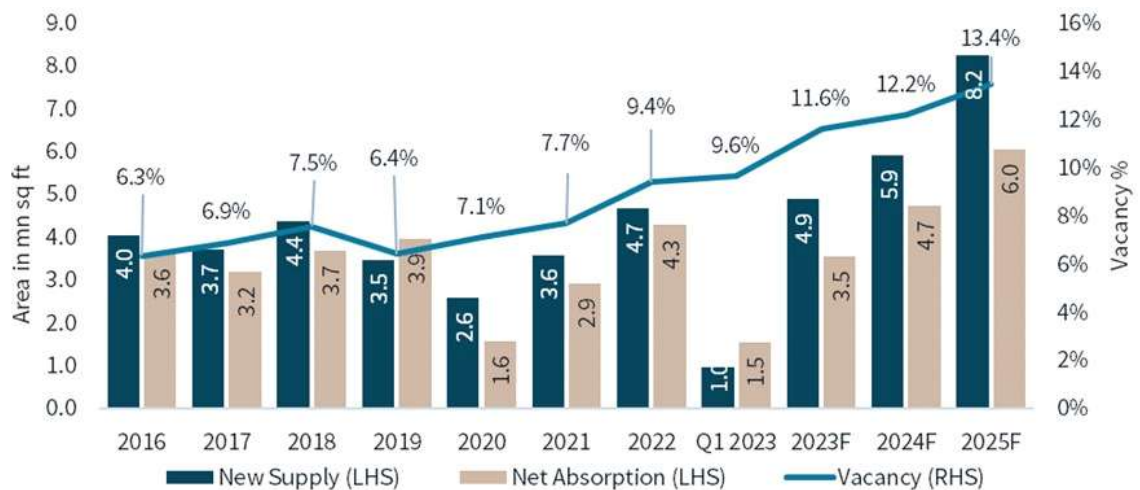
Table 6.5 City Market Trends

Micro Market	Total Stock (Mn sq ft)	Net Absorption (Mn sq ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
CBD	6.8	- 0.03	-160%	-105%	6.2%	+40 bps	- 60 bps
SBD East	41.8	0.98	202%	1%	7.7%	+180 bps	- 20 bps
SBD West	10.5	0.35	100%	-40%	5.1%	-330 bps	-950 bps
Suburbs East	1.9	-	0%	0%	18.3 %	0 bps	+1380 bps
Suburbs West	15.0	0.22	41%	1%	18.7 %	- 60 bps	+210 bps

Pune Office Market witnessed a rise in demand in Q1 2023 over the previous quarter, however, the demand slowed down compared to same period last year. The overall net absorption recorded in Q1 2023 was 1.53 mn sq ft, up by 219% q-o-q and down by 33% y-o-y. The net absorption comprised of commitments, pre-commitments in the completed projects during the quarter and exits. The increase in the net absorption over the previous quarter was due to a better leasing activity along with a good pre-commitment level in the newly completed buildings. Pre-leasing in the upcoming projects was down in Q1 2023, compared to Q4 2022. Pre-leasing of 119,360 sq ft was recorded in this quarter.

A healthy quantum of space renewals of around 1.1 mn sq ft was witnessed during the quarter apart from the net absorption, majority of which took place in the SBD East sub-market.

In the gross leasing activity of Q1 2023, Manufacturing/Industrial segment has the highest occupier share of 26%, followed by IT/ITeS and Telecom, Healthcare-Biotech, Real Estate & Construction industries segments with occupier shares of 23% and 19% respectively. E-commerce segment was inactive in leasing space during the quarter. The occupier share of IT & ITeS segment has significantly declined over the years, and mainly during the pandemic, whereas the share of co-working operators in the leasing activity has increased. This is because the corporates especially in the IT & ITeS segment require a more flexible work set-up in times of uncertainty which is hassle free. Therefore, they opt for a managed co-working space over conventional office spaces. Co-working operators like Table Space, Smartworks, WeWork, Indigube etc. are the key players in the Pune office market.



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Out of the total net absorption in Q1 2023, SBD East has recorded the highest net absorption of around 0.98 mn sq ft followed by SBD West with a net absorption of 0.35 mn sq ft and Suburbs West with a net absorption of 0.22 mn sq ft. Net absorption in CBD sub-market have declined over the quarter as well as over the same period last year as it has witnessed a negative net absorption. Suburbs East which comprises of only one office project namely SP InfoCity did not witness any leasing activity in the quarter. The key transactions that took place in Q1 2023 were Roche Pharma leased 192,000 sq ft in 45ICON in Baner, TIBCO leased 108,040 sq ft space in Binarius in Yerwada and Panasonic leased 127,000 sq ft space in CapitaLand Nalanda in Hinjewadi.

Vacancy

The overall vacancy in Pune's Office Market in Q1 2023, settled at 9.6%, up by 20 bps q-o-q from 9.4% in Q4 2022, whereas down by 70 bps y-o-y from 10.4% in Q1 2022. The increase in vacancy rate in Q1 2023, q-o-q was due to the new supply addition in the city. CBD sub-market has a vacancy rate of 6.2%, up by 40 bps q-o-q, mainly due to low leasing activity and comparatively higher space surrenders. SBD West shows the lowest vacancy rate of 5.1%, down by 330 bps q-o-q as there has been no new supply addition in the sub-market for the

last four quarters and due to the leasing activity. SBD East sub-market has a vacancy rate of 7.7%, up by 180 bps q-o-q. While the new supply entered the submarket with healthy pre-commitments, the increase in available space through some exits contributed towards the q-o-q rise in vacancy levels, despite the healthy leasing activity in the sub-market. Suburbs West sub-market has the highest vacancy rate of 18.7%, which has increased by 210 bps y-o-y from 16.6% in Q1 2022 as the sub-market witnessed a strong supply of 2.8 mn sq ft in 2022, with low occupancy levels.

Submarket Rents

The overall Gross Rents in the city settled at INR 77.8 per sq ft per month, showing a marginal increase of 0.6% q-o-q as well as an increase of 1.6% y-o-y. The CBD and Suburbs East sub-markets did not witness any change in the rental. The CBD sub-market has the highest rents in the city, closely followed by the SBD East sub-market, whereas Suburbs West sub-market has the lowest rentals in the city. The city witnessed a healthy rental growth every quarter till 2019, however, since 2020, the rents have largely remained stable with marginal growth every quarter.

New supply

The quarter witnessed completion of two new projects namely Gera Commerzone Building 5 in Kharadi and Panchshil Business Park Tower A and B in Viman Nagar, both in the SBD East sub-market, accounting to a new supply of 1.83 mn sq ft. Both the projects together had a pre-commitment level of 53% which contributed to the net absorption during the quarter. However, there was a withdrawal of 0.88 mn sq ft worth projects which were downgraded to Grade B. Thus, the net increase in the total stock was 0.95 mn sq ft. The new supply is entering the city's office market in a slow and steady pace as the pre-commitment levels are low.

Outlook

Pune expects a new supply of 18.1 mn sq ft to enter the office market from Q2 2023 till the end of 2025. Out of the total new supply expected to be operational in this period, 65-70% is premium quality supply by prominent developers like Panchshil Realty, K Raheja corp, Brookfield, CapitaLand group, Prestige group, RMZ Corp and Godrej properties. SBD East sub-market accounts for the largest share of 56% of the total upcoming supply till 2025, whereas sub-markets like Suburbs West, SBD West and CBD foresee a similar supply in the range of 2-3 mn sq ft by the end of 2025.

Some of the key completions include Bluegrass Business Park Tower A, Commerzone Kharadi Building 1 and 4, ITPP Kharadi Block 2, Panchshil Business Hub (S.no 40), Prestige Alphatech, EON West Phase 1 and RMZ The Edge 10. The demand is expected to grow at a slow pace in 2023, as the corporates have paused their expansion plans due to the global economic slowdown. However, it is expected to pick up pace in 2024-25. Due to good quality supply and growth in demand, rents expect a good growth by the end of 2025.

6.5 MICRO MARKET : SECONDARY BUSINESS DISTRICT EAST

The Commerzone project lies in the Secondary Business District East.

Supply, Demand Trend

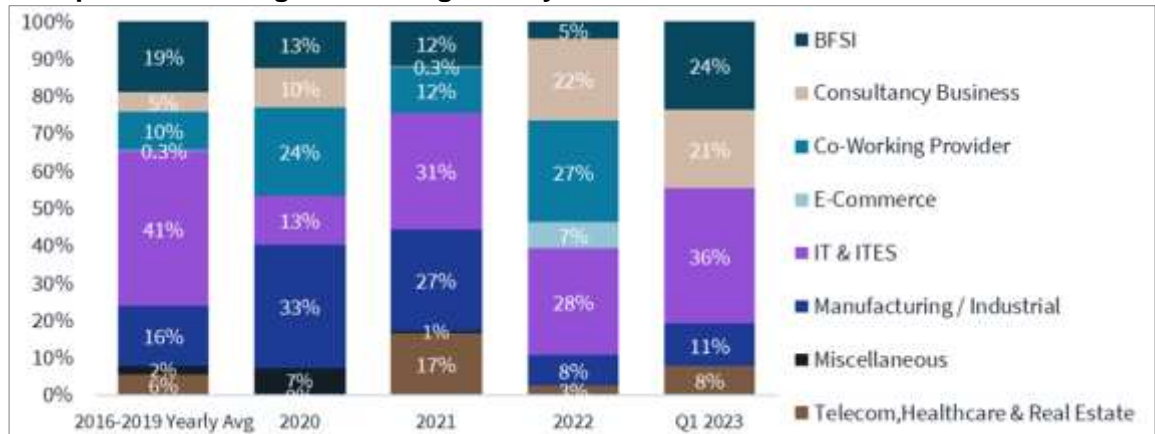
Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

SBD East comprises of key micro-markets like Yerwada, Kalyani Nagar, Viman Nagar, Kharadi and Hadapsar. It has absorbed around 64% of the total net absorption in the city in the first quarter of 2023. It recorded a net absorption of 0.98 mn sq ft in Q1 2023, which was up by 202% q-o-q as well as 1% y-o-y. The net absorption comprised of commitments, pre-commitments in the completed buildings and exits. In the gross leasing activity of SBD East in Q1 2023, IT&ITeS segment has the highest occupier share of 36% followed by BFSI and consulting business segments with occupier share of 24% and 21% respectively. Some of the key space take-ups in the SBD East sub-market include TIBCO leasing 108,040 sq ft in Yerwada, Bajaj leasing 100,000 sq ft in Phoenix Fountain head Tower 3 in Viman nagar, Deloitte leasing 80,000 sq ft ITPP Kharadi and Apex Fund leasing 61,000 sq ft Panchshil Business Park in Viman Nagar.

Supply

The entire new supply that entered the Pune Office market in Q1 2023 was witnessed in the SBD East sub-market. Projects like Gera Commerzone Bldg 5 in Kharadi and Panchshil Business Park in Viman nagar got completed during the quarter, adding a new supply of 1.83 mn sq ft. However, there was a withdrawal of 0.05 mn sq ft worth project which was downgraded to Grade B. Thus, the net increase in the total stock of SBD East sub-market was 1.78 mn sq ft.

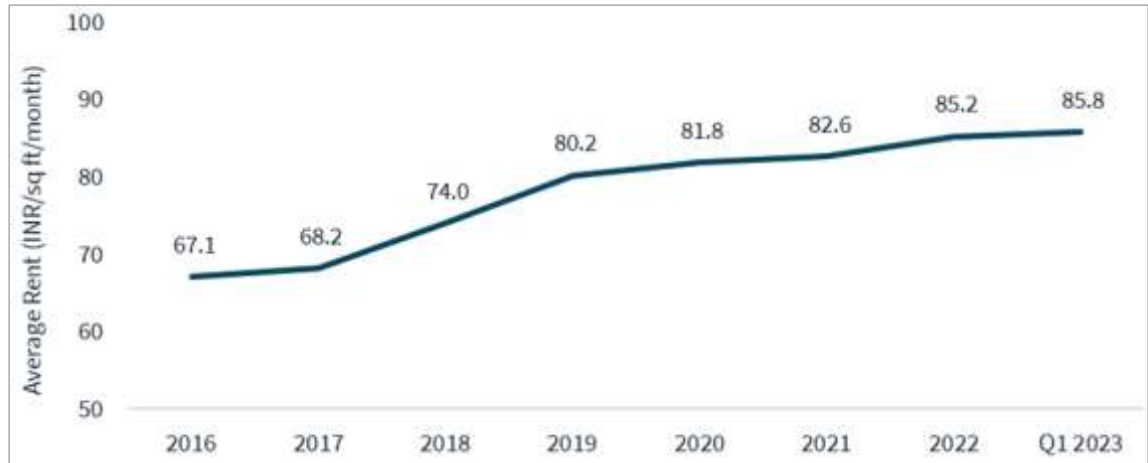
Vacancy

Vacancy in Q1 2023 in the SBD East sub-market settled at 7.7%, up by 180 bps from 5.9% in Q4 2022, due to the new supply in the sub-market.

Rents

It is observed the rental values for commercial / office space in the immediate surroundings in the micro market varies between INR 75 – 90 per sq. ft. per month as per the leases transacted during the year 2022. The asking instances are upwards at INR 85 - 100 per sq. ft. per month. The CAGR of rental growth is recorded at 3.1% in last 6 years (2017-2022).

The Gross Rents in SBD East sub-market settled at INR 85.8 per sq ft per month in Q1 2023. Prominent projects in the sub-market like Panchshil Business Bay and Panchshil Tech Park One in Yerwada command rents in the range of INR 120-130 and INR 110-120 per sq ft per month respectively. Eon Free Zone and World Trade Centre in Kharadi command rents in the range of INR 90-100 per sq ft per month. Similar projects like Commerzone Yerwada and Gera Commerzone Kharadi command rents in the range of INR 80-85 per sq ft per month.



Mindspace REIT micro markets, 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.

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market

Table 6.6: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Name of the Building	Name of the Occupier	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
1	International Tech Park Pune, Kharadi	Deloitte	Kharadi	77,969	78-80	Q3 2022
2	International Tech Park Pune, Kharadi	Deloitte, Deloitte Financial Advisory Services India	Kharadi	77,969	79-82	Q4 2022
3	Eon Free Zone	Allscripts Healthcare Technologies India	Kharadi	35,820	77-79	Q4 2022
4	Panchshil Business Bay	HSBC	Yerwada	482,697	90-93	Q4 2022
6	Panchshil Business Bay	Deutsche India	Yerwada	398,857	91-93	Q4 2022
7	Eon Free Zone	Quadrant Knowledge Solutions	Kharadi	33,059	87-90	Q4 2022
8	Panchshil World Trade Centre	WeWork	Kharadi	29,475	95-98	Q2 2022
9	Tech Park One	Johnson Controls	Yerwada	70,562	106-109	Q4 2022
10	Binarius	Bristlecone India	Yerwada	37,500	85-88	Q4 2022
11	Binarius	Cotiviti India	Yerwada	42,662	89-92	Q4 2022
12	International Tech Park Pune, Kharadi	Tablespace	Kharadi	64,732	79-81	Q4 2022
13	International Tech Park Pune, Kharadi	MT Bidco Consulting Solutions	Kharadi	26,518	82-84	Q4 2022
14	International Tech Park Pune, Kharadi	315 Work Avenue Spaces	Kharadi	40,015	79-82	Q3 2022
15	International Tech Park Pune, Kharadi	NielsenIQ India	Kharadi	57,672	74-77	Q1 2022
18	Eon Free Zone	Eaton Technologies	Kharadi	84,028	70-73	Q3 2022
19	Vascon Almonte	EFC	Kharadi	30,030	85-87	Q3 2022

Sl. No.	Name of the Building	Name of the Occupier	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
20	International Tech Park Pune, Kharadi	KPMG	Kharadi	53,230	76-79	Q3 2022
21	Panchshil World Trade Centre	HCL	Kharadi	40,790	91-94	Q3 2022
22	International Tech Park Pune, Kharadi	Petc Technology Solutions	Kharadi	121,137	74-77	Q2 2022
23	Tech Park One	Vatika Business Centres	Yerwada	32,395	92-95	Q2 2022
25	Eon Free Zone	L&T Infotech	Kharadi	37,900	102-104	Q1 2022
26	Tech Park One	Netcracker Technology Solutions India	Yerwada	42,091	142-145	Q1 2022
27	Blue Grass Business Park	Mastercard	Yerwada	356,238	86-89	Q1 2022
28	Panchshil World Trade Centre	WeWork	Kharadi	29,475	95-98	Q1 2022
30	Panchshil Business Bay	Mercer Consulting	Yerwada	26,007	139-142	Q1 2023
31	Panchshil Business Bay	Dws India	Yerwada	21,580	90-93	Q1 2023

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The lease transactions in the micro market are recorded in the range of INR 75 - 90 per sq. ft. per month. The lease transactions in Yerwada location where the Project is located are in the range of INR 75 to 90 per sq. ft per month. Market rent for Commerzone Project has been considered in line with the achievable market rent for completed buildings at INR 78 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within the Country

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6.7: List of transactions / deals in major cities recent past

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40,000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Info city	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Info city	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 – 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Project Site is **Commerzone IT Park** which is one of the known developments for IT/ITeS companies located in the Southwest Micro-Market at Yerwada in Pune City. The Project is a part of the **Mindspace Business Parks REIT** (Mindspace REIT) portfolio. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A space spread across six (6) IT Buildings (B1, B4, B5, B6, B7, & B8) and an Amenity Building. There are prominent clients in the larger campus such as Nvidia, UBS(India), Schlumberger, TCS, BNY Mellon etc., and is preferred commercial development in this micro-market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

SBD East sub-market foresees a new supply of 10.2 mn sq ft from Q2 2023 to 2025, with a pre-commitment level of 10-15%. Around 56% of the total new supply in the city by the end of 2025 belongs to this sub-market. Key completions in this sub-market include Bluegrass Business Park Tower A, Commerzone Kharadi Building 1 and 4, ITPP Kharadi Block 2, Panchshil Business Hub (S.no 40) and Prestige Alphatech. With quality supply entering in the next three years and a good number of RFPs from the BFSI, IT/ITeS and manufacturing companies in the sub-market, demand is expected to see a better growth compared to other sub-markets. Rents, therefore, are also expected to grow by the end of 2025.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project has been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimate 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 lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent-free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

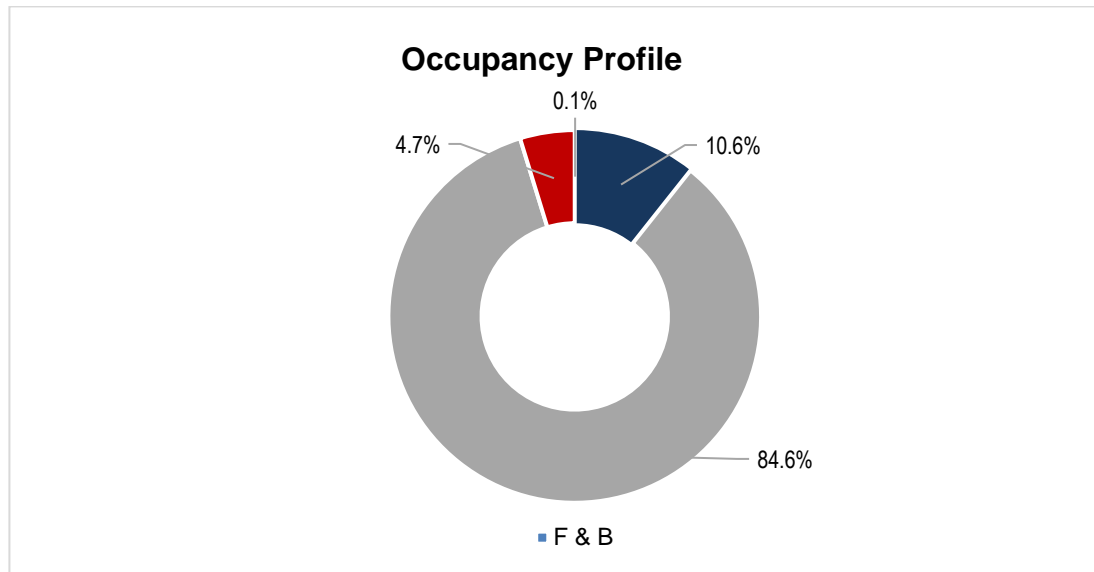
7.3 CONSTRUCTION TIMELINES

As mentioned earlier, the Project has approx. 1.68 million sq. ft. and fully completed and operational. Thus, no pending cost to complete is factored as of date of valuation for the Project. For the project, approx. INR 741 million upgrade CAPEX is planned to be incurred by Q3 FY25.

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows: -

- ~85% of the space is taken by IT/ITeS sector.
- ~10% taken by Consulting, BPO, Pharma, Construction and Technology.
- ~5% in Education.
- A small area that is 0.1% by F & B.



7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-2033	As per workings
Asset Details		
Total Leasable Area	1,677,889 sq ft	As per the information provided by the Client
Leased Area	1,676,721 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	1,168 sq ft	As per the information provided by the Client
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	1,168 sq ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market for Grade A properties, the rent free period for existing lease rollovers is two months.
Rent Free Period for New Leases	3 months	As prevalent in the micro-market for Grade A properties, the rent free period for new leases is three months.

Parameters	Assumptions / Inputs	Remarks / Basis
Total No. of Car Parking Spaces	1745 No.	As per the information provided by the Client
No. of Car Parking Spaces Leased	442 No.	As per the information provided by the Client
Construction Related Assumptions		
Approx construction cost to be incurred (CAPEX)	INR 741 Mn	As per the information provided by the Client
Estimated Completion Date (CAPEX)	Q3 FY25	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e. 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent - Office	INR 78 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 75 – 85 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 80 - 95 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	INR 74 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Market Rent - Car Parking Space	INR 2,250 per CPU per month	The Grade A offices offers car parking rates in the range of INR 1,500 – 3,000 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the Project Site is derived.
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent – Kiosk	INR 78 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market

Parameters	Assumptions / Inputs	Remarks / Basis
Market / Marginal Rent - Terrace	INR 39 per sq. ft. per month	Based on the market benchmarking of recent leases within the micro-market
Other Income	1% of base rentals	Analysis of the historical trend of other income suggest a normalised level of other income can be achieved in the future. Accordingly, we have considered other income at 1% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	5.0% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Market Escalation	5.0% per annum	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 14.8 per sq ft per month	The CAM rate in Grade-A Commercial Development is observed to be in the range of INR 10 – 15 per sq.ft. per month. The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 12.1 per sq ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 2.48 per sq ft per month	As given by the Client
Insurance	INR 0.24 per sq ft per month	As given by the Client

Parameters	Assumptions / Inputs	Remarks / Basis
Cost Escalation	3% per Annum	As prevalent in the market.
CAM Escalation	5% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1% of Terminal Value	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market.
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.00% (post yield shrinkage). Capitalized based on the Net Cashflows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is estimated to be as follows:

Table 7.3: Market Value of the Project

Component	Leasable Area (sq. ft.)	Market Value (INR Million)	Percentage Share
Commercial / Office Space incl. Amenities – Completed	1,677,889	19,388.91	100%

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the Entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project comprising total leasable area of 1,677,889 sq. ft. of project Commerzone (Building 1,4,5,6,7,8 and Amenity), is estimated to be located in Yerwada, Pune, Maharashtra, India, 411006, is estimated to be **INR 19,388.91 Million (INR Nineteen Billion Three Hundred Eighty Eight Million Nine Hundred and Ten Thousand Only).**

Table 7.4 Ready Reckoner Rates for the Property

Component	Ready Reckoner Rate (INR per sq.m)
Commercial (Built-Up Area)	112,770
Land Area (Open Plot)	29,510

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation.
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

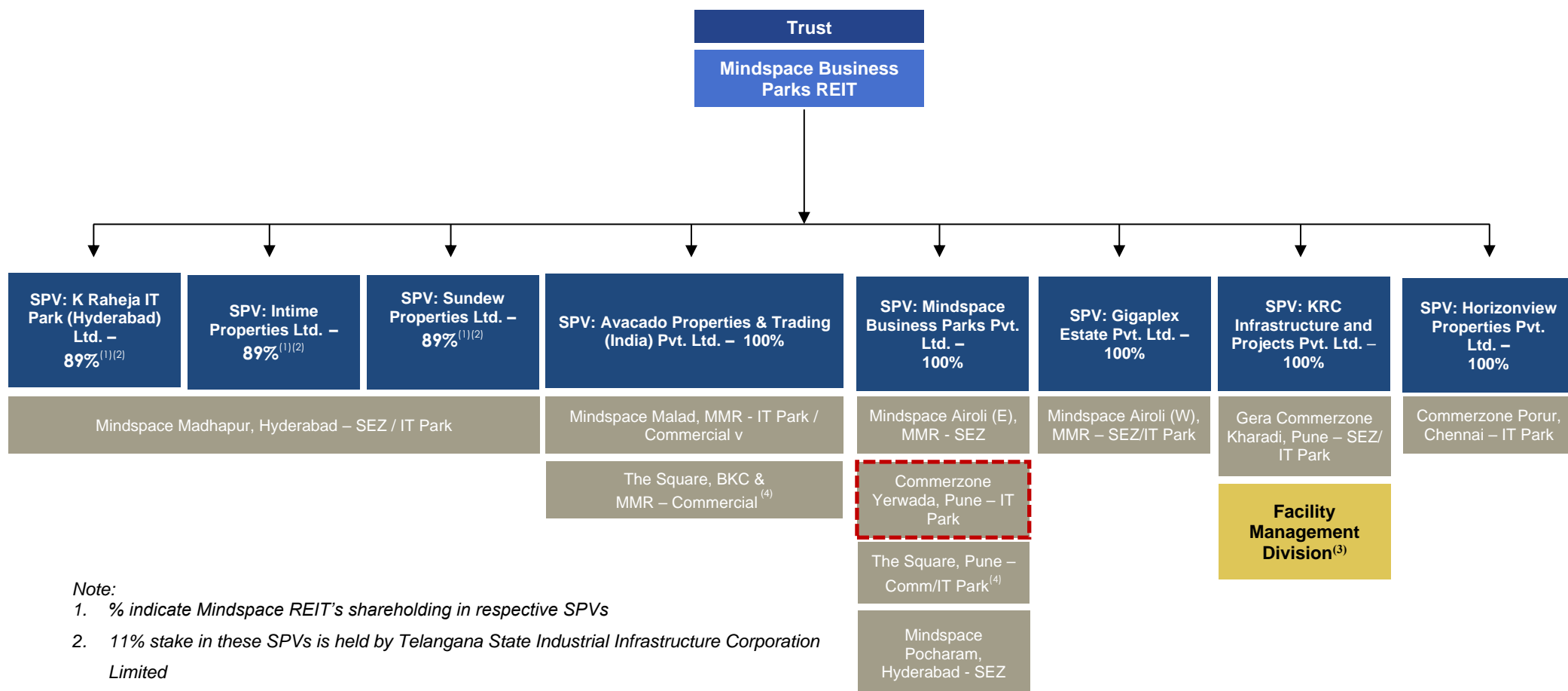
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

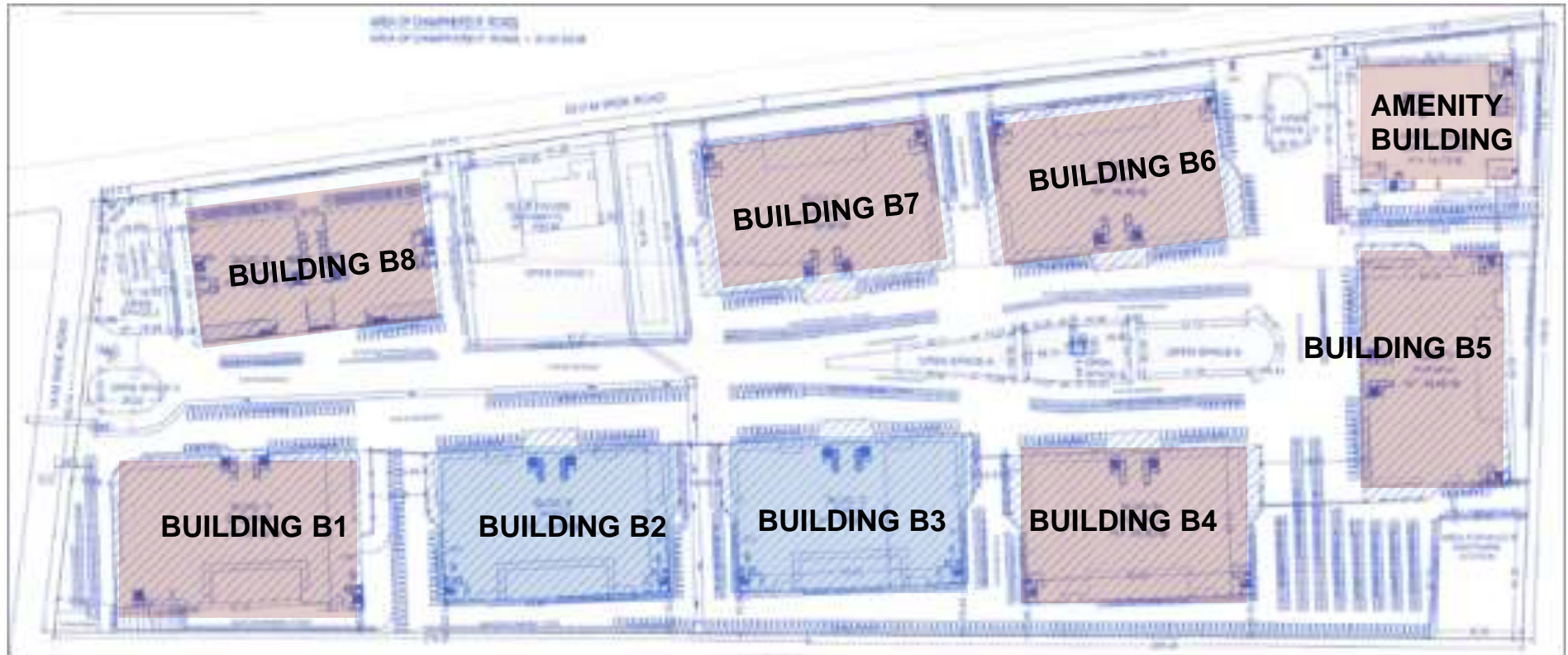
Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2
Layout Plan of the Project



Annexure - 3

Statement of Key Assets within the Project

Building	No. / Name	B1	B2	B3	B4	B5	B6	B7	B8
Floor	Nos	1B+1P+7F	2P+7F	2P+7F	G+P1+P2+7	3P+7F	G+P1+P2+7	3P+7F	3P+9F
Warm Shell / Bare shell		Warm shell, but HVAC	Warm shell, but HVAC	Warm shell	Warm shell	Warm shell	Warm shell	Warm shell	Warm shell
Air Cooled Chiller	TR	NA	NA	7 x 180	350	350	350	375	350
Water Cooled Chiller	TR	NA	NA	NA	2 x 450	2 x 650	2 x 450	2 x 450	2 x 650
No of Elevators / Make	No/ Make	8-OTIS	8-OTIS	8- Thyssenkrupp	8- Thyssenkrupp	8- Thyssenkrupp	8-OTIS	8- Thyssenkrupp	10-Toshiba
No of DG / Capacity	No. / KVA	1 x 750, 2 x 1010	4 x 1010	4 x 1010	3 x 1010	4 x 1650	3 x 1010	4 x 1010	3 x 1650
No of Transformers / Capacity	No./ KVA	2 X 2000	2 X 2000	2 X 2000	2 X 1600	2 X 1750	2 X 1600	2 X 1600	3 X 1600
Booster Pump	KW / Make	9.6 -Kirloskar Brothers	9.6 -Kirloskar Brothers	5.5 - Kirloskar Brothers	9.6 -Kirloskar Brothers	10 - ABB	9.6 -Kirloskar Brothers	7.5 -Kirloskar Brothers	9.6 -Kirloskar Brothers
Jockey Pump	KW / Make	5.5 - Kirloskar Brothers	5.5 - Kirloskar Brothers	11 - Kirloskar Brothers	11 - Kirloskar Brothers	5.5 - Kirloskar Brothers	4 - Kirloskar Brothers	5.5 - Kirloskar Brothers	2 x 5.5 - Kirloskar Brothers
Fire Diesel Pump	KW / Make	82 - Kirloskar Brothers	68 - Kirloskar Brothers	68 - Kirloskar Brothers	68 - Kirloskar Brothers	112 - Kirloskar Brothers	80 - Kirloskar Brothers	68 - Kirloskar Brothers	111 - Kirloskar Brothers
Hydrant Pump	KW / Make	75 - Kirloskar Brothers	2 x 75 - Kirloskar Brothers	60 - Kirloskar Brothers	82 - Kirloskar Brothers	93.2 - ABB	75 - Kirloskar Brothers	75 - Kirloskar Brothers	112 - Kirloskar Brothers
Sprinkle Pump	KW / Make	75 - Kirloskar Brothers		56 - Kirloskar Brothers	82 - Kirloskar Brothers	93.2 - ABB	75 - Kirloskar Brothers	75 - Crompton Greaves	112 - Kirloskar Brothers
STP Rating	KLD	150	150	150	150	170	150	150	170

Annexure - 4

Approvals and NOCs Received for the Project

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

1. Approvals Received

- a) Approved Masterplans
- b) Commencement Certificate
- c) Consent to Operate valid for all operational buildings except Amenity Building
- d) Full Occupancy Certificates for all operational buildings
- e) Height Clearance NOC from AAI
- f) One-time Fire NOC and Form B for all buildings
- g) Environmental Clearances
- h) Consent for Establishment
- i) Lift Licenses for all buildings
- j) Occupancy Certificates
- k) Share Transfer Application – DOI

2. Approvals Pending

None

Annexure - 5

Ready Reckoner Rate Applicable for the Project

बाजारमूल्य दर पत्रक

Home		Valuation Rates		User Manual		Close	
Year	Annual Statement of Rates						Language
2023/2024							English
Selected District	पुणे						
Select Taluka	हवेली						
Select Village	येरवडा						
Search By	<input type="radio"/> Survey No <input checked="" type="radio"/> Location						
Select	संपत्तिभाषण	सूची जमीन	निवासी सदनिका	ऑफिस	दुकाने	औद्योगिक	एकक (sq.ft.)
Survey No	25-403.1 - निवासी प्रकल्प	35520	90300	124460	185300	0	चौ. मीटर
Survey No	25-403.2 - कल्याणनगर	41260	93740	158260	231550	0	चौ. मीटर
Survey No	25-403.3-समाप्त अवशेष रोड वरील निवासी	24860	58500	69860	109490	0	चौ. मीटर
Survey No	25-403.4-मार्केड भवन टुस्ट यांचा निवासी प्रकल्प	29510	64030	112770	154030	0	चौ. मीटर
Survey No	25-403.5-पो. ए. इनामदार यांचा निवासी प्रकल्प	29510	67760	112770	154030	0	चौ. मीटर
		1724					

Annexure - 6
Discounted Cash Flow Profile

Table 7.5 Discounted Cash Flow (INR Mn)

		1-APR-22	1-APR-23	1-APR-24	1-APR-25	1-APR-26	1-APR-27	1-APR-28	1-APR-29	1-APR-30	1-APR-31	1-APR-32	1-APR-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		120.00	621.00	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-		-	-
A	Base Rental		1,411.35	1,500.50	1,606.16	1,665.61	1,696.74	1,853.95	1,914.74	2,015.37	2,132.01	2,186.08	2,356.20
B	Car Parking Income		5.83	8.45	13.14	13.52	14.06	14.72	15.39	16.08	16.80	17.56	18.87
C	Fit-out rentals/ tenant improvements		100.27	47.65	27.93	-	-	-	-	-	-	-	-
D	Facility Rentals		1,517.44	1,556.60	1,647.22	1,679.13	1,710.80	1,868.68	1,930.12	2,031.45	2,148.82	2,203.64	2,375.07
E	Maintenance services income		463.28	486.92	511.27	536.83	563.67	591.85	621.45	652.52	685.14	719.40	755.37
F	Other Operating Income		14.11	15.00	16.06	16.66	16.97	18.54	19.15	20.15	21.32	21.86	23.56
G	Revenue from Operations		1,994.84	2,058.52	2,174.55	2,232.62	2,291.43	2,479.07	2,570.72	2,704.12	2,855.28	2,944.90	3,154.01
	Direct Operating Expenses												
H	Maintenance services Expenses		386.76	406.10	426.40	447.72	470.11	493.61	518.29	544.21	571.42	599.99	629.99
I	Property Tax		51.55	53.10	54.69	56.34	58.03	59.77	61.56	63.41	65.31	67.27	69.29
J	Insurance Premium		5.00	5.15	5.31	5.47	5.63	5.80	5.98	6.15	6.34	6.53	6.73
K	Net Operating Income (NOI)		1,551.52	1,594.17	1,688.15	1,723.09	1,757.67	1,919.89	1,984.89	2,090.36	2,212.22	2,271.11	2,448.01
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	30,294.13	-
	Indirect Operating Expenses												
L	Brokerage Fees		11.82	35.01	21.43	11.26	27.54	2.52	16.42	12.76	-	24.49	-
M	Property Management Fee		53.60	55.01	58.21	59.35	60.47	66.05	68.22	71.81	75.95	77.89	83.95
N	Other operational expenses		28.34	30.18	32.39	33.58	34.22	37.37	38.60	40.63	42.98	44.07	47.50
O	Net Cashflows		1,337.75	852.98	1,576.12	1,618.90	1,635.44	1,813.94	1,861.65	1,965.16	2,093.29	32,418.79	2,316.56

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

Annexure - 7

Material Litigations

(i) Title litigation and irregularities

1. Shrimant Chhatrapati Udayan Raje Pratapsinh Maharaj Bhonsale ("**Plaintiff**") has filed a suit before the Civil Judge Senior Division Pune ("**Civil Court**") against Shri Mukund Bhavan Trust ("**MBT**"), its trustees, and the State of Maharashtra ("**Defendants**") for declaration of title and possession of lands in Yerwada, Pune admeasuring approximately 322.7 acres ("**Suit Land**"); including approximately 25 acres 27 gunthas (approximately 1,03,940 square meters) ("**Commerzone Land**") of land in which units (approximate 1.68 msf of leasable area as per lease deeds) in Commerzone Yerwada, one of our Portfolio, are situated. MBT, as the owner of 79.32 acres land ("**MBT Land**"), had executed a registered development agreement in 2004 with KRCPL with respect to the Commerzone Land. Commerzone Yerwada land, which includes the rights in demarcated portions of the Commerzone Land, was transferred from KRCPL to MBPPL pursuant to the scheme of arrangement sanctioned on September 7, 2017). Neither KRCPL nor MBPPL is joined as a defendant to the suit.

The Plaintiff is seeking, *inter alia* declarations and injunctions in his favour in relation to ownership and possession of the Suit Land and to set aside compromise decrees passed in (i) 1953 in Suit No. 152/1951; (ii) 1990 in Suit No. 1622/1988; and (iii) 2003 in Civil Appeal No. 787/2001; all in proceedings between MBT and the State of Maharashtra.

The Plaintiff also filed an application for temporary injunction which is pending. No interim or ad-interim relief has been granted to the Plaintiff. MBT applied to the Civil Court for rejection of the plaint filed by the Plaintiff on the grounds of limitation, which was rejected by order dated April 29, 2014. MBT filed revision petition against the said rejection order, in the Bombay High Court, which was dismissed on April 26, 2016. MBT filed SLP No.18977 of 2016 against the said dismissal order, which is pending before the Supreme Court of India.

The Plaintiff filed an application on March 9, 2015 in the Civil Court for amendment to the prayers in the suit, *inter alia* to limit the Plaintiff's claim for possession only with regard to vacant land in possession of the Defendants and lands alienated subsequent to the filing of the suit, and to seek compensation from MBT with regard to constructed units and alienated part of the Suit Land instead of seeking possession of the developed portion for which registered deed with regard to alienation were executed prior to the filing of the suit in 2009. The application for amendment of the plaint was rejected by the Civil Court by its order dated November 14, 2016. Aggrieved, the Plaintiff filed Writ Petition No. 4268/2017 in the Bombay High Court challenging the said order dated November 14, 2016, which is currently pending before the Bombay High Court.

Two applications made by third parties, being M/s. Mahanagar Developers and M/s. Mahanagar Constructions for being joined as party defendants in the suit, were granted on November 14, 2016 by Civil Court. The Plaintiff challenged this order by filing Writ Petition No. 4415/2017 in the Bombay High Court. By a common order dated February 15, 2018 passed in the aforesaid two writ petitions (Nos. 4268/2017 and 4415/2017), the Bombay High Court requested the trial judge not to proceed in considering any interim application, till the adjourned date of hearing of these petitions. These matters are currently pending before the Bombay High Court.

The Plaintiff registered a notice of lis-pendens dated July 7, 2011 in respect of the Suit No.133/2009 and applied for mutation in the revenue records. Purshottam M. Lohia, a trustee of MBT and Panchashil Tech Park Private Limited (an entity claiming certain rights in survey No.191A Yerwada village) ("**Panchashil**") opposed the mutation, which opposition was rejected. Panchashil filed appeal before the District Superintendent of Land Records and relied on the government notification dated September 21, 2017 directing revenue authorities to remove or cancel all mutations entries in respect of notice of lis-pendens ("**Notification**").

2. Ravindra Laxman Barhate filed complaint and revenue proceedings against Shri Mukund Bhavan Trust ("**MBT**") and others in relation to the allotment and exemption order under the Urban Land Ceiling Act, 1976 in respect of the MBT Land (as mentioned in para 1 above).

A complaint was filed on November 27, 2015 by Ravindra Laxman Barhate with the Divisional Collector Pune and other authorities, against MBT and others (together, "**Respondents**") alleging tampering, cheating as also breach of terms and conditions by the Respondents *inter alia* with respect to order dated November 24, 2003 passed under Section 20(1) of the Urban Land Ceiling Act, 1976 in respect of the MBT Land at Yerwada, Pune ("**ULC Order**") and seeking action against the Respondents and cancellation of the ULC Order.

MBT filed a writ petition before the Bombay High Court, for quashing any enquiry / investigation on the basis of the said complaint filed by Ravindra Laxman Barhate. By order dated March 5, 2018, the Bombay High Court has restrained the Additional Collector from passing any order on this complaint until the next hearing date. Through its order dated January 6, 2020, the Bombay High Court *inter alia* restrained the State of Maharashtra and certain other respondents from passing any order pursuant to the complaint filed on November 27, 2015 until disposal of the writ petition. The matter is currently pending.

Ravindra Laxman Barhate also filed a Revenue Appeal No.1826/2015 before the Revenue Minister, State of Maharashtra ("**Revenue Minister**") against the Commissioner & Collector, Pune and MBT, challenging a report dated June 20, 2011 of the Divisional Commissioner, Pune ("**Report**") wherein MBT was stated to be the owner of the MBT Land (which include the demarcated portions of the land pertaining to Commerzone Yerwada); *inter alia* to set aside the Report, pass an order directing the relevant authorities to submit a new inquiry report and restrain the purchase-sale, construction on the disputed land. By way of order dated September 23, 2015, the Revenue Minister ordered that status quo be maintained as regards the record of the suit property.

MBT had filed a writ petition challenging the order dated September 23, 2015 passed by the Revenue Minister. Since the State Government of Maharashtra withdrew the said order dated September 23, 2015, stating that the pending proceedings will be heard by the Principal Secretary, Revenue Department, the said writ petition was disposed of by order dated October 28, 2015 as not surviving while keeping open all contentions of both the parties on merits. MBT challenged the said Order dated October 28, 2015 in the Supreme Court of India ("**Court**") *inter alia* on the ground of maintainability of such proceedings before the Principal Secretary, Revenue Department. By order dated January 21, 2016, the Supreme Court of India has stayed the proceedings pending before the Principal Secretary, Revenue Department. By order dated August 6, 2021, the Court allowed the appeal by setting aside the impugned order dated October 28, 2015 of Bombay High Court and restored the aforesaid writ petition to the file of the Bombay High Court to facilitate the Bombay High Court revisiting the petition afresh. The Court clarified that the setting aside of the impugned order dated October 28, 2015 will not have any consequence in regard to the statements which have been recorded of the State of Maharashtra to withdraw the order dated September 23, 2015.

3. A letter dated February 4, 2019 from the Office of Executive Engineer, BDD Zone No.4 was forwarded by an architect firm to MBPPL on February 11, 2019 wherein PMC sought clarifications regarding certain objections pertaining to the land at Commerzone Yerwada, regarding payment of ₹ 156.98 million consisting of ₹ 56.34 million principal of recoverable amount and ₹ 100.64 million on account of interest. MBPPL by way of its letter dated February 28, 2019 replied to PMC *inter alia* stating that the letter has been addressed to the incorrect recipient who is not a developer of the relevant portion of the land, and sought clarifications with respect to the contents of the letter and disputed the payment demand. Further, by way of its letter dated July 2, 2019, MBPPL requested for a reply to its letter dated February 28, 2019 and stated that it would be ready to pay amounts, if any payable, if and once the clarifications sought by it are provided. By letter dated July 20, 2019 to MBPPL, PMC provided the copy of the audit report to MBPPL and requested MBPPL to provide its clarifications in respect of objectionable issues and furnish the challans in lieu of payment of the recoverable amount. By letter dated August 17, 2021 the architect firm and another, PMC stated that it has not received any

clarifications and provided the challans of amounts by assessing interest thereon and required submission of challan/receipt towards payment of an amount of ₹ 183.60 million recoverable against all objectionable issues. By its reply letter dated September 6, 2021 to PMC, MBPPL has again stated that the earlier PMC letter dated February 4, 2019 and the PMC letter dated August 17, 2021 are addressed to the wrong persons and informed PMC of the non-receipt of relevant information and documents from PMC as requested by MBPPL earlier. By letter dated October 11, 2021 to PMC, MBPPL replied stating that the impugned challans, demands and notice are illegal, null and void and ultra vires; and called upon PMC to withdraw the impugned challans and letter forthwith. Further, without prejudice to the contentions raised in the reply and without admitting any liability to pay the amount as per the impugned challans, MBPPL has submitted to pay in full and final settlement on all accounts of all demands raised in the said challans, a lumpsum one-time amount of ₹ 26.64 million without any liability for interest thereon or for any other payments relating to the subject and to provide an opportunity of hearing and furnishing clarifications, if required by PMC. By letter dated January 5, 2022, to the architect firm and another, PMC stated that it has informed them earlier to make the payment of the objectionable and recoverable amount along with the interest in the treasury of PMC as per the scrutiny carried out by the Chief Auditor, PMC ("CA") of the sanctioned building plans in respect of land at Commerzone Yerwada. In pursuance of the same, the revised/rectified challans were being issued by PMC upon the verification of the written clarification provided by the Architect and another. However, if any objection is raised or received in respect of the revised/rectified challans from the CA shall be bound to take action or act as per the instructions given by the CA. In reply to the PMC letter dated January 5, 2022, MBPPL on January 25, 2022 submitted a reply/ letter to PMC and its officers stating that without prejudice to its contentions, rights and remedies and without admitting any liability to pay any amount under the four revised challans dated January 4, 2022 ("**Challans**") an aggregate amount of ₹ 26.64 million i.e. (₹ being development charges, ₹ 6.53 million being balcony charges and ₹ 20.11 million being staircase charges) towards the payments in full and final settlement of the Challans in order to show bonafide of MBPPL and full and final settlement of all accounts and demands raised by PMC and requested PMC to accept the payment accordingly without any further demands on MBPPL on any account and to treat the matter as closed. MBPPL further stated that if the matter is not closed, to treat the said letter dated January 25, 2022, as a notice under Section 487 of the Maharashtra Municipal Corporation Act, 1949 and under Section 159 of the Maharashtra Regional and Town Planning Act, 1966 in relation to the letters and challans. Subsequently, by letter dated March 10, 2022, PMC informed MBPPL that it has not accepted the cheque issued by MBPPL vide its letter dated January 25, 2022 and requested MBPPL to issue demand draft for the amount as per the Challans and make the payment to PMC at the earliest. On April 7, 2022 MBPPL submitted a reply/ letter to PMC enclosing a demand draft as desired by the PMC, for an amount of ₹ 26.64 million towards the payment as set out in MBPPL's earlier communications. The PMC returned the demand draft submitted by MBPPL vide its letter dated July 11, 2022 while demanding entire payment. MBPPL submitted letters dated July 21, 2022 and July 22, 2022 to PMC and remitted the entire payment of ₹ 101.36 million. Through its letter dated August 8, 2022, MBPPL intimated the PMC that MBPPL made the payment of an amount of ₹ 6.09 million being challan late fees on July 28, 2022.

4. MBPPL ("**Petitioner**") has filed writ petition on November 14, 2022 in the Bombay High Court ("**Court**") against Pune Municipal Corporation and others ("**Respondents**") *inter alia*, seeking to impugn and set aside the Demand Notice dated January 5, 2022 enclosing challans for certain amounts allegedly due and payable by the Petitioner ("**Impugned Demand Notice**") and for refund of the amount of ₹ 107.45 million paid by the Petitioner under protest to the Respondents towards the Impugned Demand Notice. The matter is currently pending for admission.

(ii) Regulatory actions

1. Deputy Assessor and Collector (Indira Docks), Mumbai issued demand notice dated June 7, 2012 for payment of ₹ 0.4 million towards octroi for import of certain goods at Commerzone Yerwada project. MBPPL replied by way of its letters dated March 2, 2017, March 14, 2017 and March 22, 2017 stating, *inter alia* that it has made payments for the aforesaid goods. MBPPL received another demand notice dated March 21, 2018 in relation to the aforesaid

payment of octroi. MBPPL replied by way of letter dated April 18, 2018 and reiterated that there is no liability to pay octroi in this case. No further correspondence has been received.

2. MBPPL has received several demand notices from the stamp duty and revenue authorities in relation to alleged deficit payment of stamp duty aggregating to ₹ 10.18 million along with penalty in certain instances with respect to certain leave and license agreements / lease deed entered into by MBPPL, in its capacity as licensor/ lessor. MBPPL has from time to time responded to such demand notices *inter alia* stating that the liability for stamp duty on the documents was that of the respective licensee / lessees.
3. Ministry of Water Resources, River Development and Ganga Rejuvenation, Central Ground Water Board issued a show cause notice dated March 22, 2019 to MBPPL for non-compliance and contravention of the mandatory conditions of the NOC issued of ground water extraction for Commerzone Yerwada project and directed MBPPL to rectify the non-compliances. MBPPL has replied by way of its letter dated April 12, 2019 stating that it has initiated all actions required for compliance with the no-objection certificate and requesting withdrawal of the show cause notice dated March 22, 2019. No further correspondence has been received.
4. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 ("Income Tax Act") against Avacado, Gigaplex, KRIT, MBPPL, Chalet Hotels, Genext, Inorbit Malls, KRCPL, KRPL, Shoppers Stop and others ("Parties"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act directing them to prepare and furnish true and correct returns of total income for assessment years ("AY") from 2008-2009, 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department issued notices under Section 142(1)/143(2) of the Income Tax Act for assessment years 2008-2009, 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Parties from time to time.

MBPPL filed appeals before the CIT(A) against the order for AY 2012-13 to AY 2017-18 and against order for AY 2018-19. MBPPL made an application under the VsV for AY 2012-13, AY 2013-14 & AY 2014-15. MBPPL received final order for AY 2012-13, accepting the VsV Application. The appeal for AY 2015-16 and 2016-17 were disposed by the CIT(A) in favour of MBPPL with direction to the assessing officer. The appeal for AY 2012-13 was dismissed by the CIT(A) in view of VsV order for the said year. VsV application for AY 2013-14 was rejected and the final order under VsV for AY 2014-15 is currently pending. The appeal for AY 2013-14 was disposed by the CIT(A) against MBPPL and an appeal has been filed before the ITAT against the same. Appeal filed before ITAT for AY 2013-14 has been withdrawn by MBPPL. The Income Tax Department filed an appeal for AY 2015-16 and AY 2016-17 before ITAT against the order of the CIT(A) and the same were disposed by the ITAT in favour of MBPPL. MBPPL received a notice under section 148 for assessment year 2014-15. MBPPL filed return of income under protest in response to the said notice for assessment year 2014-15 and also sought reasons for reopening the assessment. MBPPL received reasons for reopening and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order rejecting the objections filed. MBPPL filed a writ petition with the Bombay High Court against the notice under section 148 and rejection order. Bombay High Court has passed the order quashing the notice under section 148. Subsequently, Supreme Court has upheld the validity of the notice. MBPPL received notice u/s 148A(b) and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order under section 148A(d) rejecting the objections filed and served notice under section 148 of the Income Tax Act. The return of income was filed under protest in response to the said notice. MBPPL has filed Writ Petition before Bombay High Court against the notice u/s 148 and order u/s 148A(d).

5. The Collector of Stamps (Enforcement), Mumbai issued an interim demand letter dated December 18, 2017 and rectification order dated December 20, 2017 for deficit stamp duty aggregating to ₹ 333.28 million. By way of letter dated December 26, 2017, MBPPL expressed its disagreement with respect to determination of the amount of stamp duty for the demerger of certain undertakings of Trion Properties Pvt. Ltd. into MBPPL and stated that it will effect the payment of the disputed amount under protest and requested that the original order of the NCLT be returned to MBPPL duly endorsed, to enable MBPPL to make the payment and register the same. The amount of ₹ 333.28 million was paid under protest on December 27, 2017. No further correspondence has been received.

iii) Material civil/commercial litigation

1. With respect to the termination of a license agreement between MBPPL and Capstone Securities Analysis Private Limited ("**Capstone**"), a licensee at Unit No.003 in Building No.1 in Commerzone Yerwada, MBPPL has filed an eviction suit against Capstone in the Small Causes Court at Pune ("**Court**") for payment of arrears of license fees and other charges aggregating to ₹ 10.80 million and has sought injunction. By way of two separate orders dated June 16, 2022, application dated February 4, 2021 filed by MBPPL seeking directions against Capstone for depositing the monthly License Fee in Court was allowed by the Court, and application dated July 9, 2021 filed by Capstone for fixation of standard rent was rejected. On July 16, 2022 the Court allowed the application filed by MBPPL for interim/ad-interim injunction restraining Capstone from creating third party interest in the suit property and parting with the possession of the suit property in any manner, till final disposal of the suit. On July 16, 2022 Capstone filed an application seeking a stay to the effect and operation of the order passed on June 16, 2022 thereby directing Capstone to deposit the license fees in Court. On August 24, 2022 MBPPL filed an application for striking off the defence by Capstone and the matter was adjourned till September 8, 2022. On September 8, 2022 the matter was adjourned till October 01, 2022 for filing say by Capstone to the application for striking off defense filed by MBPPL and hearing on the application for stay filed by Capstone to both the orders passed on June 16, 2022. Capstone has filed two revision applications against MBPPL being aggrieved by the aforesaid orders dated June 16, 2022. Both the revision applications were rejected by the District Court vide order dated October 11, 2022 ("**Order**"). Being aggrieved by the said Order, Capstone had on October 19, 2022 and November 2, 2022, filed applications before the Court seeking a stay on the effect and operation of the said Order dated October 11, 2022 so as to seek an appropriate order from the Bombay High Court by filing a petition. On November 5, 2022, Capstone has further filed applications inter-alia seeking 15 days time for challenging the Order passed by the District Court, before the Bombay High Court and for a stay on the Order passed under Exhibit 9 i.e. application for depositing license fee in the Court. Vide order dated November 5, 2022, the applications were partly allowed, and the effect and operation of the order passed below Exhibit 9 was stayed / suspended only till November 11, 2022. On November 11, 2022, Capstone filed an application seeking a stay on the order passed below Exhibit 9 informing the Court that Capstone has filed two writ petitions bearing nos. WPST/27433/2022 and WPST/27435/2022 before the Bombay High Court ("**Writ Petitions**") thereby challenging the Orders passed under Exhibit 9 (whereby the Court allowed MBPPL's application filed under Order 15-A of CPC) and 25 (Capstone application for fixing standard rent). MBPPL had filed an application with a prayer to strike off the defence of Capstone, since Capstone had defied the order passed under Exhibit 9. By Order dated November 11, 2022, the Court allowed the application of MBPPL for striking off defence filed by Capstone and rejected the application filed by Capstone seeking a stay on the order passed below Exh. 9 and sought adjournment in the matter for 15 days to obtain appropriate orders from the Bombay High Court. The matter has been posted to January 6, 2023 for framing of issues. On January 6, 2023 MBPPL submitted that the defence had been struck-off as no Written Statement was filed on record, therefore issues should not be framed and the matter could be posted for evidence. The Defendant appeared and filed on record an Application *inter-alia* stating that it has filed a Revision Application No.

45 of 2022 before the Hon'ble District Court, Pune thereby challenging the Orders dated November 11, 2022 passed under Exhibit 33 (Striking off the Defence) & Exhibit 45 (Adjournment Application filed by the Defendant which was rejected by Court) and the same was posted to January 20, 2023 for appearance of MBPPL. Further, vide the said Application, the Defendant stated that the Writ Petitions are awaiting hearing and hence the matter may be adjourned suitably in order to obtain necessary orders from the Bombay High Court. MBPPL resisted the Application filed by the Defendant by filing a say. The aforesaid Application filed by the Defendant was rejected and the suit was posted to March 8, 2023, for filing of 'Affidavit of Evidence'. On March 8, 2023, the Defendant has filed an seeking a stay on the proceeding *inter-alia* stating that the Civil Revision Application against the Order of Striking-off Defence is pending before the Hon'ble District Court and sought an adjournment to obtain appropriate orders from the District Court. MBPPL raised objections to the said Application and filed reply to the same and pressed for rejection of the said Application. The matter has been adjourned to April 11, 2023.

2. Revision Application No. 45 of 2022 was filed by Capstone before the Hon'ble District Court, Pune thereby being aggrieved by the order/s dated November 11, 2022 passed under Exhibit 33 (Application for Striking off the Defence) & Exhibit 45 (Adjournment Application filed by the Defendant which was rejected by Court) and the same was posted to January 20, 2023 for appearance of MBPPL. On January 20, 2023 MBPPL appeared in the matter and sought adjournment in the matter for advancing final arguments. On March 23, 2023, Capstone appeared and filed on record the Application *inter-alia* stating that (i) the Applicant is ready and willing to pay an amount of Rs. 94,61,506/- from January 2021 to March 2023 to the account of MBPPL directly, if so directed by the Hon'ble Court, (ii) the Applicant is ready and willing to deposit the monthly license fee before the 7th day of every month to MBPPL; and (iii) seeking to set aside the order of Small Cause Court, Pune dated November 11, 2022 in Civil Suit No. 79 of 2021; and the matter has been adjourned to April 5, 2023, for filing of Reply by Respondent to the Application.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Gera Commerzone, Kharadi, Pune

Maharashtra, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name	Gera Commerzone SEZ and IT Park, Kharadi, Pune, Maharashtra, India
Property Address	S.No. 65/1, 65/2 & 65/3. Village Kharadi, Taluka Haveli, Dist-Pune-411014
Land Area	~26.0 Acres
Brief Description	<p>The property is located in the north-eastern part, in the Secondary Business District East micro market of Pune City along the Eon IT Park Road. It is located at a distance of about 6.0 km from the Phoenix Market City and about 2 km. from Nagar Road.</p> <p>The property is developed as Grade A, IT and SEZ / Non SEZ Park with six (6) blocks (G1, G2, R1, R2, R3, & R4) in total out of which only four (4) blocks (R1, R2, R3, & R4) and Glass box, (which are owned by Mindspace REIT via its Special Purpose Vehicle-SPV) is considered for valuation collectively comprising of 2,937,086 sq. ft of leasable area. The main entrance to the Project Site is from EON IT Park Road.</p> <p>The property is owned entirely with 100% interest by KRC Infrastructure and Projects Private Limited.</p> <p>The property is surrounded by mixed use development comprising residential, retail, and commercial developments.</p> <p>KRC Infrastructure and Projects Private Limited has also invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators/traders supplying to the grid and then distribute it to the end consumers within the property. It is not allowed to expand the power distribution outside the limits of the SEZ.</p> <p>KRC Infrastructure and Projects Private Limited also houses the facility management services (Campus).</p>

Asset Details Leasable area details as shared by the Client is given below:

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building R1	531,373
2.	Building R2	1,007,933
3.	Building R3	669,477
4.	Building R4	726,803
5.	Glass Box	1,500
	Total Leasable Area	2,937,086

Based on the site inspection, out of 4 Buildings under consideration, 2 Buildings (R1 & R4) are completed and operational, for 1 Building (R3) Occupancy Certificate is received and finishing work is in progress, and Building (R2) is under construction, where the basement work is in progress and is expected to be completed by Q3 FY25.

Location Map



Key Assumptions

The table below summarizes key Valuation assumptions used in the estimate

Particulars	Description															
Asset Specific Information																
Nature of Asset	Commercial / Office with Amenities															
Current Status	There are four buildings being considered. Two buildings, R1 and R4, are complete and currently operational. One of the buildings, R3, has received an Occupancy Certificate, but finishing work is still ongoing. The remaining building, R2, is currently under construction. It also includes power distribution services of KRC Infrastructure and Projects Pvt. Ltd and facility management services (Camplus).															
Total Leasable Area	2,937,086 sq. ft.															
Year of Completion / Operation	<table><tr><th>Sl.</th><th>Building Name</th><th>Age of the Building</th></tr><tr><td>1.</td><td>Building R1</td><td>3 years</td></tr><tr><td>2.</td><td>Building R3</td><td>0 Years (Final OC received in Mar 2023)</td></tr><tr><td>3.</td><td>Building R4</td><td>2 Years 10 Months</td></tr><tr><td>4.</td><td>Glass Box</td><td>0 Years</td></tr></table>	Sl.	Building Name	Age of the Building	1.	Building R1	3 years	2.	Building R3	0 Years (Final OC received in Mar 2023)	3.	Building R4	2 Years 10 Months	4.	Glass Box	0 Years
Sl.	Building Name	Age of the Building														
1.	Building R1	3 years														
2.	Building R3	0 Years (Final OC received in Mar 2023)														
3.	Building R4	2 Years 10 Months														
4.	Glass Box	0 Years														
Revenue Assumptions																
In-Place Rent	INR 77.3 per sq. ft. per Month															
Market / Marginal Rent	INR 81.0 per sq. ft. per Month															

Parking Rent	INR 2,000 per CPS per Month (applicable for completed buildings only)
Financial Assumptions - Buildings	
Exit Cap Rate	8.00%
Discount Rate / WACC	For Completed Blocks – 11.75% For Under Construction Blocks – 13.00%
Financial Assumptions – Power Distribution services	
Discount Rate / WACC	10.5%
License End Date	18 th June 2042
Financial Assumptions – Facilities Management Services	
EBITDA multiple	13x
Discount Rate / WACC	Completed - 11.75% Under Construction – 13.00%

Market Value

Component	Market Value as on	In Figures (INR Mn)	In Words
Total Market Value (Completed / Operational, including power distribution business of KRC Infrastructure and Projects Pvt. Ltd. and the Facilities Management Business)	31 st March 2023	28,100.47	INR Twenty-Eight Billion One Hundred Million Four Hundred and Seventy Thousand Only.
Total Market Value (Under construction, including the Facilities Management Business) *Under Construction does not have Power Distribution Services	31 st March 2023	5,052.76	INR Five Billion Fifty-Two Million Seven Hundred and Sixty Thousand Only.
TOTAL VALUE		33,153.23	INR Thirty-Three Billion One Hundred Fifty-Three Million Two Hundred and Thirty Thousand Only.

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LIST OF ABBREVIATIONS

CBD	Central Business District
CY	Current Year
INR	Indian Rupees
IT/ITES	Information Technology/IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
km	Kilo-metre
NH	National Highway
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft.	square feet

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project located named '**Gera Commerzone**' (**Building R1 or B3, R2 or B4, R3 or B5, R4 or B6 & Glass Box**) located in **Kharadi, Pune**, Maharashtra, India (hereinafter referred to as the 'Project'). The Project is an operational IT and SEZ / Non SEZ Park having leasable area of about 2.9 Mn sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

The SPV also includes power distribution services for of KRC Infrastructure and Projects Pvt. Ltd and facility management services.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building R1 or B3	531,373
2.	Building R2 or B4	1,007,933
3.	Building R3 or B5	669,477
4.	Building R4 or B6	726,803
5.	Glass Box	1,500
	Total Leasable Area	2,937,086

Source: Client, 31st March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master's in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal Institution of Chartered Surveyors ("RICS"), Fellow and Lifetime Member of Institute of

Valuers, India (“IOV”), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER’S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 02 April 2023 by the Valuer in the presence of Client-nominated representative and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

The contents of this Valuation Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any

other party in respect of the whole or any part of its contents- except as maybe required in connection with the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, under the applicable law.

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification / validation of the zoning regulations / development controls with any government departments / authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data / information provided by the Client and estimate has limited coverage wherever full data / information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and / or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to assess the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational, under construction/ future development commercial / IT office space, (other than the power distribution services which has been valued using Discount Cash Flow Method under 'Income Approach' and facility management services which has been valued using Discount Cash Flow Method under 'Income Approach'), the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted an exit cap rate of 8.00% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the Project Site against similar portfolios / properties in the market. For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

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 for under-construction / future development properties. The Valuer has considered a risk premium of 125bps, to derive the WACC of 13.00% for under construction / future development properties.

These derived discount rates were found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Gera Commerzone SEZ and IT Park, Kharadi, Pune, Maharashtra, India																						
Property Address	S.No. 65/1, 65/2 & 65/3. Village Kharadi, Taluka Haveli, Dist-Pune-411014																						
Land Area	~26.0 Acres																						
Brief Description	<p>The property is located in the north-eastern part, in the Secondary Business District East micro market of Pune City along the Eon IT Park Road. It is located at a distance of about 6.0 km from the Phoenix Market City and about 2 km. from Nagar Road.</p> <p>The property is developed as Grade A, IT and SEZ / Non SEZ Park with six (6) blocks (G1, G2, R1, R2, R3, & R4) in total out of which only four (4) blocks (R1, R2, R3, & R4) and Glass box, (which are owned by Mindspace REIT via its Special Purpose Vehicle-SPV) is considered for valuation collectively comprising of 2,937,086 sq. ft of leasable area. The main entrance to the Project Site is from EON IT Park Road.</p> <p>The property is owned entirely with 100% interest by KRC Infrastructure and Projects Private Limited.</p> <p>The property is surrounded by mixed use development comprising residential, retail, and commercial developments.</p> <p>KRC Infrastructure and Projects Private Limited has also invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators/traders supplying to the grid and then distribute it to the end consumers within the property. It is not allowed to expand the power distribution outside the limits of the SEZ.</p>																						
Asset Details	Leasable area details as shared by the Client is given below:																						
	<table> <tr> <th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr> <tr> <td>1.</td><td>Building R1</td><td>531,373</td></tr> <tr> <td>2.</td><td>Building R2</td><td>1,007,933</td></tr> <tr> <td>3.</td><td>Building R3</td><td>669,477</td></tr> <tr> <td>4.</td><td>Building R4</td><td>726,803</td></tr> <tr> <td>5.</td><td>Glass Box</td><td>1,500</td></tr> <tr> <td></td><td>Total Leasable Area</td><td>2,937,086</td></tr> </table>		Sl.	Building Name	Leasable Area (sq. ft.)	1.	Building R1	531,373	2.	Building R2	1,007,933	3.	Building R3	669,477	4.	Building R4	726,803	5.	Glass Box	1,500		Total Leasable Area	2,937,086
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	<p>During the site inspection, it was discovered that Building R2 is currently under construction and that the reinforced concrete (RCC) work for the basements is in progress. Additionally, it was observed that Building R3 has been completed, and only the finishing work is currently underway.</p> <p>KRC Infrastructure and Projects Pvt. Ltd. also houses power distribution services and facility management services ("Camplus").</p>																						
Valuation Methods	<table> <tr> <th>Sl - No.</th><th>Asset Type</th><th>Methodology Adopted</th></tr> <tr> <td>1.</td><td>Completed Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr> <tr> <td>2.</td><td>Under Construction Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr> <tr> <td>3.</td><td>Power Distribution Services</td><td>Discounted Cashflow Method</td></tr> <tr> <td>4.</td><td>Facilities Management Services</td><td>Discounted Cashflow Method</td></tr> </table>		Sl - No.	Asset Type	Methodology Adopted	1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion	2.	Under Construction Assets	Discounted Cash Flow Method using Rent Reversion	3.	Power Distribution Services	Discounted Cashflow Method	4.	Facilities Management Services	Discounted Cashflow Method						
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4.	Facilities Management Services	Discounted Cashflow Method																					

Nature of the Interest by the Client	100% freehold interest in the Project as informed by the Client																								
Purchase Price of the Project	INR 18,328 million*, as given by the Client *Includes valuation for facility management division and power distribution business of KRC Infrastructure and Projects Pvt. Ltd.																								
Historical Valuation of the Project in 3 Previous Years	Below table summarizes historical valuation of the Project as given by the Client:																								
	<table><tr><th>Sl.</th><th>Date of Valuation</th><th>Total Market Value (Completed / Operational, Under Construction / Future Development) (INR Mn)*</th></tr><tr><td>1.</td><td>30-Sep-2022</td><td>30,290 (22,518, 7,772)</td></tr><tr><td>2.</td><td>31-Mar-2022</td><td>27,535 (20,353, 7,182)</td></tr><tr><td>3.</td><td>30-Sep-2021</td><td>26,347 (19,404, 6,943)</td></tr><tr><td>4.</td><td>31-Mar-2021</td><td>24,878 (18,687, 6,191)</td></tr><tr><td>5.</td><td>30-Sep-2020</td><td>21,902 (17,901, 4,001)</td></tr><tr><td>6.</td><td>31-Mar-2020</td><td>21,018 (16,716, 4,302)</td></tr></table>				Sl.	Date of Valuation	Total Market Value (Completed / Operational, Under Construction / Future Development) (INR Mn)*	1.	30-Sep-2022	30,290 (22,518, 7,772)	2.	31-Mar-2022	27,535 (20,353, 7,182)	3.	30-Sep-2021	26,347 (19,404, 6,943)	4.	31-Mar-2021	24,878 (18,687, 6,191)	5.	30-Sep-2020	21,902 (17,901, 4,001)	6.	31-Mar-2020	21,018 (16,716, 4,302)
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Date of Valuation	31-Mar-2023																								
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Matters Affecting the Property and its Value

Please refer to Chapter 7 of this Valuation Report

Assumptions, Disclaimers, Limitations and Qualifications

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

Prepared by**KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164)**

Represented through its Director

Mr. Sachin Gulaty FRICS FIV FIIA

IBBI/RV/02/2021/14284

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Name: Sachin Gulaty FRICS FIV FIIA**Designation:** Director**Valuer Registration No.:** IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5.1: Details of the Project Site and/or Project

DETAILS OF PROPERTY		
Property Name	Gera Commerzone SEZ and IT Park, Kharadi, Pune, Maharashtra, India	
Property Address	S.No. 65/1, 65/2 & 65/3. Village Kharadi, Taluka Haveli, Dist-Pune-411014	
Land Area	~26.0 acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sl.	Building Name
	1.	Building R1
	2.	Building R2
	3.	Building R3
	4.	Building R4
	5.	Glass Box
	Total Leasable Area	
	Leasable Area (sq. ft.)	
	531,373	
1,007,933		
669,477		
726,803		
1,500		
2,937,086		
During the site inspection, it was discovered that Building R2 is currently under construction and that the reinforced concrete (RCC) work for the basements is in progress and is expected to be completed by Q3 FY25. Additionally, it was observed that Building R3 has been completed, and only the finishing work is currently underway.		
It also includes power distribution services for KRC Infrastructure and Projects Pvt. Ltd. and facility management services ("Camplus").		
Access	Accessible through approx. 18 m. wide EON IT Park and 24 m. wide Grant Road	
Frontage	Approximately 300 m. frontage along EON IT Park Road, Kharadi	
Shape and Visibility	The topography of the project features terrain that is relatively contoured and is irregular in shape. It has excellent visibility from EON IT Park Road and Grant Road Kharadi.	
Approval Status	Project has requisite approvals in place as confirmed by the Client.	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The Project is located in the north-eastern part, Secondary Business District (SBD) East micro market of the city along the Eon IT Park Road. It is located at a distance of about 6.0 km from

the Phoenix Market City and about 1.5 km from Nagar Road. The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Pune City



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Pune Railway Station	13.0
Pune International Airport	9.0
Phoenix Market city	2.0
Shivaji Nagar	6.0
Pune University	16.0

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is Grade A commercial / office SEZ and IT Park located along EON IT Park Road in Kharadi. The Project is surrounded by mixed use development comprising residential, retail, and commercial asset classes. The Project is spread across 26 acres of land. The topography

of the project features terrain that is relatively contoured and is irregular in shape. It has excellent visibility from EON IT Park Road and Grant Road Kharadi.

The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The Project has good accessibility due to its location along the EON IT Park Road and vicinity to Pune Ahmednagar Highway. Upcoming second corridor of Pune metro line and proposed HCMTR which passes through this micro market and existing BRTS Corridor will enhance the connectivity of Project with other parts of the city and travel time in the future.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project

Completed and Future Development Buildings:



Source: Client, 31st March 2023

The table below presents the boundary/edge conditions of the Project Site.

Table 5.3: Project Site and its Site Boundaries

North	Residential Project
South	EON IT Park Road
West	Grant Road
East	Lawn

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The Project is predominantly surrounded by commercial, residential and hospitality developments in the vicinity. Grade A commercial / office developments and premium residential developments are also present in the micro-market.

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 2,937,086 sq. ft. spread across four (4) SEZ and IT Buildings (R1, R2, R3 & R4) and Glass Box. Buildings R1 & R4 are completed & operational and are SEZ buildings, Building R3 is completed only finishing work is in progress, Building R2 is under construction and these 2 are non SEZ Buildings. The table in the following page presents details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Building R1	531,373
2.	Building R2	1,007,933
3.	Building R3	669,477
4.	Building R4	726,803
5.	Glass Box	1,500
	Total Leasable Area	2,937,086

Source: Client, 31st March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Total Amenity Plot and the premises on which the Amenity Building is situated
- Total utility areas and internal roads.
- Total open spaces.

The table below presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project - Completed Buildings

Particulars	Description
Name of the Entity	KRC Infrastructure and Projects Private Limited
Interest owned by Mindspace REIT	Project is wholly owned by Mindspace Business Parks Private Limited which is 100% owned and controlled by the Mindspace REIT ¹
Land Extent	Total Plot Area: ~26.0 acres
Asset Type	IT SEZ and Non-SEZ buildings
Sub-Market	SBD East

Particulars	Description		
Approved and Existing Usage	IT Offices		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	Building R1	3 years
	2.	Building R3	0 Years (Final OC received on 17 March 2023)
	3.	Building R4	2 Years 10 Months
	4.	Glass Box	0 Years
Current Status	Building R1 & R4 – Fully completed and operational Building R3 – Occupancy Certificate is received and finishing work is in progress		
Approvals Status	List of approvals are specified in Annexure 4.		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	1.9 million sq. ft		
Occupied Area	1.7 million sq. ft		
Committed Area	1.9 million sq. ft.		
Occupancy ^{3/}	86.7%		
Committed Occupancy ^{4/}	100.0%		
Number of Tenants	25		

^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 1.9 Mn sq. ft.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupier

Table 5.6: Key Asset Specific Information of the Project – Under Construction Project

Particulars	Description		
Name of the Entity	KRC Infrastructure and Projects Private Limited		
Interest owned by Mindspace REIT	Project is wholly owned by Mindspace Business Parks Private Limited which is 100% owned and controlled by the Mindspace REIT ^{1/}		
Land Extent	~26.0 acres		
Asset Type	IT Non- SEZ building		
Sub-Market	SBD East		
Approved and Existing Usage	IT Offices		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	Building R2	Under Construction, Podium Slab completed, 1st Floor in Progress
Current Status	Building R2 – Under construction building, RCC work is in progress.		
Approvals Status	List of approvals are specified in annexure 04		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	1.0 Mn sq.ft		

Particulars	Description
Occupied Area	0.0 Mn sq. ft
Committed Area	0.0 Mn sq. ft
Occupancy ^{1/}	0.0 Mn sq. ft
Committed Occupancy ^{2/}	00%

^{1/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{2/} Committed occupancy also includes area, which has been pre-leased to tenants/occupier

5.5 PROJECT INSPECTION

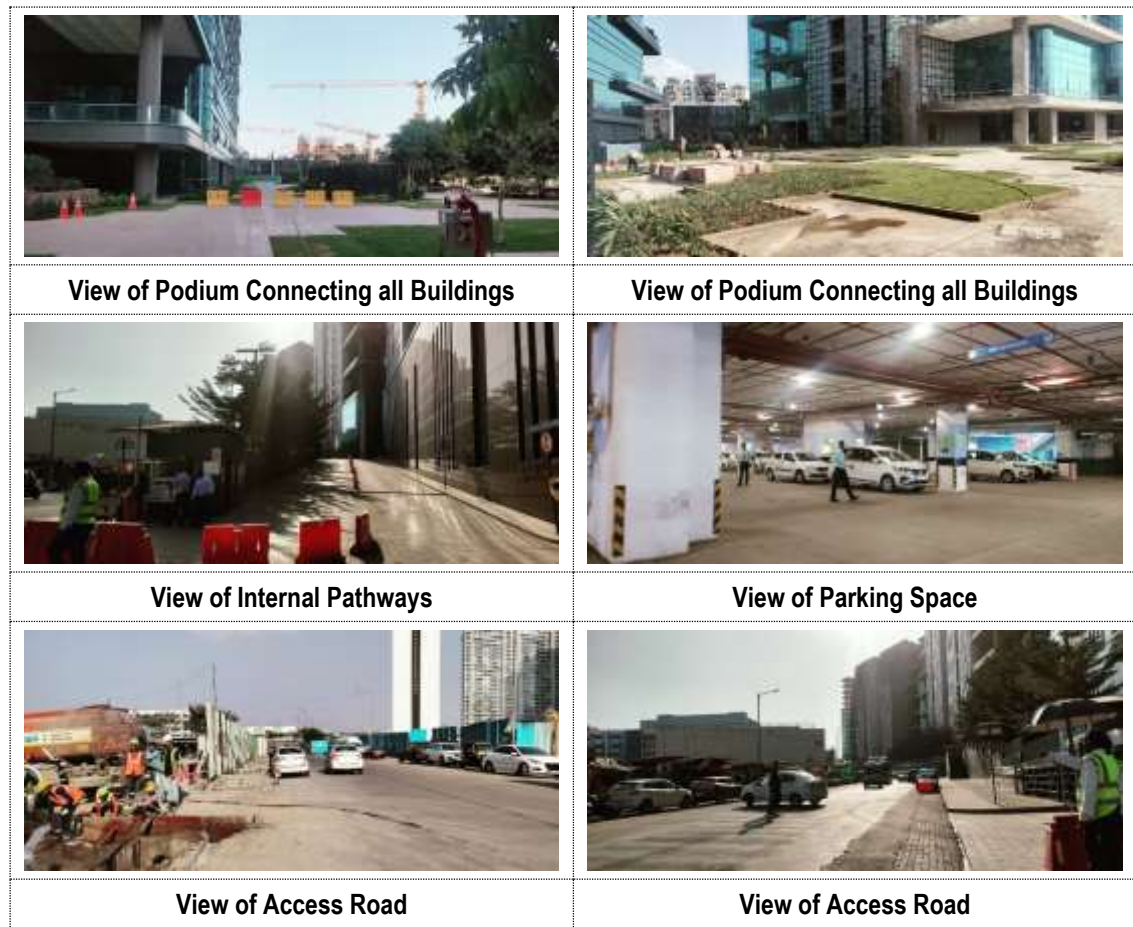
The Project is part of a larger campus having (6) buildings (G1, G2, R1, R2, R3 & R4). Out of which total leasable area of 2,937,086 sq. ft. is spread across four (4) SEZ and Non SEZ IT Buildings (R1, R2, R3 & R4) and Glass Box. Building R1 and R4 are completed & operational and are SEZ buildings, Building R3 is completed, and finishing work is in progress, Building R2 is under construction, as on the date of inspection by the Valuer. The Project was inspected by the Valuer on 02nd April 2023.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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

Some of the photographs of the Project and surroundings are given below:





5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details and age of structure and type of building is summarized in table below: -

Table 5.7: Area Details and Age of Structure

Sr No.	Building Name	Leasable Area (In Sq. Ft.)	Usage Type	Status	Age of Building
1.	Building R1	531,373	IT SEZ	Completed	3 Years
2.	Building R2	1,007,933	IT Non – SEZ	Under Construction	Under Construction
3.	Building R3	669,477	IT Non – SEZ	Completed	0 Years
4.	Building R4	726,803	IT SEZ	Completed	2 Years 10 Months
5.	Glass Box	1,500	Amenity	Completed	0 Years

Developable Area of the Project

The total site area of the project is ~26.0 Acres with total leasable area of 2.9 Mn sq ft under 4 Buildings out of 6 Buildings in total.

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings. Only some of the lifts in mall building are gone under maintenance.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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. Pune where the Project is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

The Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low risk of flooding and perennial water logging.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer (which are specified in Annexure 8), relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS

Tenant Profile of Top Tenants for Completed Project

As on 31st March 2023, Project Site has 25 tenants which include companies like Barclays, Global Services, UPS Logistics, Mindcrest India Pvt. Ltd., etc. The Project Site's top 10 tenant account for ~98.0% of the Gross Rental income.

The top 10 Tenants as per Leasable areas is listed below: -

Table 5.8: Top 10 Tenants as per Leasable areas

Sr No.	Tenant	Leasable Area (Sq Ft)
1	Barclays Global Services Centre Private Limited	531,373
2	BP Business Solutions India Pvt Ltd.	372,000
3	All State Sol. India Pvt Ltd.	278,545
4	Amazon Development Centre India Pvt. Ltd.	204,477
5	Mindcrest India Pvt. Ltd.	112,000
6	Springer Nature Technology and Publishing Solutions Pvt Ltd.	109,000
7	UPS Logistics Pvt. Ltd.	105,500
8	Alliance Bernstein Business Services Pvt. Ltd.	52,000
9	Crowdstrike India Pvt. Ltd.	52,000
10	ANSR Global Corporation Pvt. Ltd.	48,000
	TOTAL	1,864,896

* Includes contracted areas for which rent may start at a future date

The top 10 Tenants as per Gross Rents are listed below: -

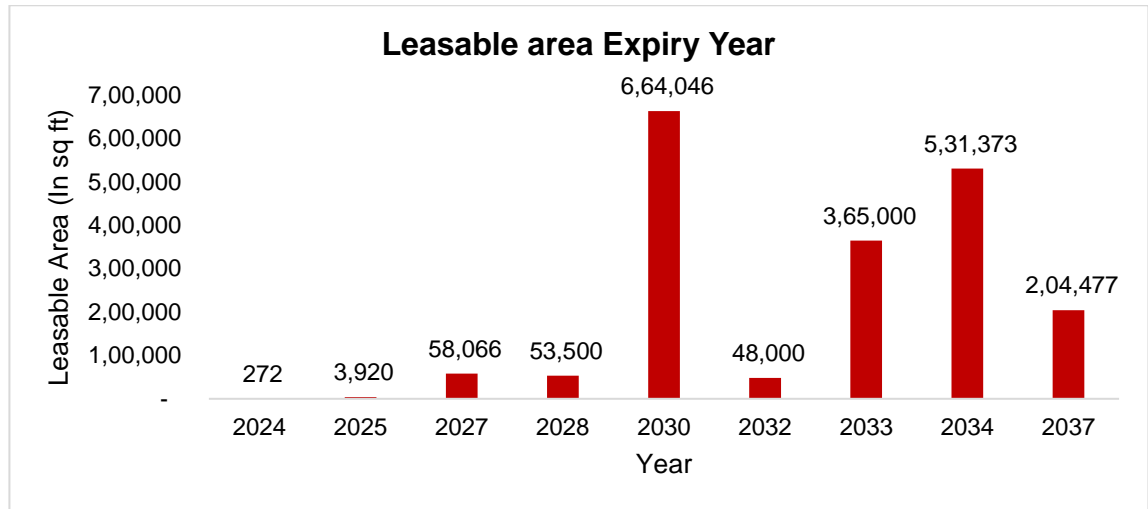
Table 5.9: Top 10 Tenants as per Gross Rentals*

Sr No.	Tenant	Share of Gross Rentals
1	Barclays Global Services Centre Private Limited	29.8%
2	All State Sol. India Pvt Ltd.	16.2%
3	Amazon Development Centre India Pvt. Ltd.	11.9%
4	BP Business Solutions India Pvt Ltd.	10.9%
5	UPS Logistics Pvt. Ltd.	7.6%
6	Mindcrest India Pvt. Ltd.	7.2%
7	Springer Nature Technology and Publishing Solutions Pvt. Ltd.	6.7%
8	Crowdstrike India Pvt. Ltd.	3.2%
9	ANSR Global Corporation Pvt. Ltd.	3.0%
10	DISYS India Technologies Pvt. Ltd.	1.6%
	TOTAL	98.0%

* Includes contracted areas for which rent may start at a future date

Lease Expiry Analysis

The WALE of the property is 9.4 years, with ~0.2% of occupied area expiring between CY 2023 and CY 2026 as shown in the chart below:



Escalation Analysis

The leases of the Project Site has typically seen rental escalation of 5.0% every year or 15.0% every 3 years.

5.8 POWER DISTRIBUTION SERVICES

In accordance with Section 14 (b) of the Electricity Act, 2003 read with Section 4(1) of the SEZ Act, 2005, entities that own and operate SEZ Parks are considered Deemed Distribution Licensee for supplying electricity to consumers within the SEZ area. Pursuant to the above regulations, KRC Infrastructure and Projects Private Limited (SPV) also has the license to distribute power within the Project Site.

The SPV has invested in the infrastructure to facilitate the distribution of the power to the customers (occupiers and operators within the subject properties). It procures power from Power generators supplying to the grid and then distribute it to the end consumers within the Project Site. The SPV is not allowed to expand the power distribution outside the limits of the SEZ, i.e., the Project Site in this case.

5.9 FACILITY MANAGEMENT SERVICES

KRC Infrastructure and Projects Private Limited has commenced facility management business effective October 1, 2020 to provide such services to the Subject Properties within the portfolio as well as properties with ownership interests of/owned by third parties within the same parks as the Subject Properties of the Portfolio (as mentioned in the following table). Facility management services include housekeeping services, management of MEP equipment, façade cleaning, security expenses, repair and maintenance, maintenance of common areas etc. Service charges are levied on a cost-plus mark-up basis to the SPVs owned by REIT, which has ownership interest in the Subject Properties.

Table 5.10 Ownership Interest

Property Name	Location	Construction Status	Leasable Area (Mn. Sq.ft)
Avacado	Malad Mumbai	Operational	0.73
Commerzone	Yerwada Pune	Operational	2.91
Gigaplex	Airoli West Mumbai	Operational	4.90
Intime	Madhapur Hyderabad	Operational	1.74
KRIT	Madhapur Hyderabad	Operational	2.05
MBPPL	Airoli East Mumbai	Operational	4.72
MBPPL Pocharam	Pocharam Hyderabad	Operational	0.38
Sundew	Madhapur Hyderabad	Operational	5.63
Sundew Hyd,	Madhapur Hyderabad	Operational	0.13
Trion	Pune	Operational	0.74
Citi BKC	Mumbai	Operational	0.15
Horizonview	Porur Chennai	Operational	1.13
Commerzone, Kharadi	Kharadi Pune	Operational	2.50
Building 10-DC	Airoli, West, Mumbai	Operational	0.32
Sub-Total Operational			28.01
Data Center	Airoli, West, Mumbai	Under Construction	0.32
Building 15 & Highstreet	Airoli, East, Mumbai	Under Construction	0.85
Building 1A1B, 7&8 & Experience Center	Madhapur Hyderabad	Under Construction	3.07
Commerzone, Kharadi	Kharadi Pune	Under Construction	1.67
Sub-Total U/C / Future Dev.			5.90

Note: Leasable areas also include certain areas within parks of Mindspace REIT which are maintained by Camplus and are not owned by Mindspace REIT's SPVs.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Pune is popularly known as the 'Queen of Deccan India' which has ranked within the top 20 cities globally in JLL's City Momentum Index (CMI) since 2017. Pune has now been declared as the largest city in the state of Maharashtra in terms of geographical area coverage. The city has been a major educational hub since many decades having a presence of premium educational institutes in the country. Pune is also an important industrial hub having a presence of prominent foreign as well as domestic automobile, automobile ancillaries and electronics manufacturers. Attractive demographics and readily available skilled workforce have attracted corporates from various sectors like IT/ITeS, manufacturing, BFSI, consulting etc. to have their set-up in the city. Other drivers like proximity to Mumbai, good connectivity through air, rail and roads, flow of Foreign Direct Investments (FDIs) have been instrumental in its growth. The city was also ranked among the best Indian cities (along with Hyderabad) in Mercer's 21st annual Quality of Living Rankings in 2019. All the above factors, in addition to large-scale urban infrastructure upgrade currently underway in Pune, have made it one of the most attractive real estate investment hubs in the state of Maharashtra after Mumbai.

6.3 INFRASTRUCTURE INITIATIVES

Pune is currently undergoing three major infrastructure development projects. Pune Metropolitan Region Development Authority (PMRDA), Maharashtra Metro Rail Corporation Limited (MMRC), Pune Municipal Corporation (PMC), Maharashtra State Road Development Corporation (MSRDC) and City and Industrial Development Corporation of Maharashtra (CIDCO) are involved in the development of Pune Metro Line 3, Pune Metro Line 1 and 2, Pune Ring Road and New International Airport at Purandar, respectively. Another infrastructure project – Mula Mutha Rejuvenation Project, has been passed for execution in the central part of the city.

Existing infrastructure

Table 6.1 Existing Infrastructure in the City

Existing Project	Completion timeline	Details	Key Impact Zones
Pune International Airport	2004-05	It is a Military as well as Public airport owned by the Indian Airforce and operated by AAI.	Viman nagar, Yerawada, Kalyani nagar, Kharadi
Pune Junction	Opened: 1858, Rebuilt: 1925	One of the major junctions in Maharashtra connecting Pune to all the major cities of India.	Bund garden road, Camp, Koregaon park
Swargate bus depot	1976	Contains inter-city and intra-city transportation facilities.	Core Pune area / Peth areas
Pune - Mumbai expressway	2002	India's first 6-lane wide concrete, access-controlled tolled expressway. Distance – 94.5 km;	Bavdhan. Pashan, Baner, Balewadi, Hinjewadi, Wakad

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Upcoming Infrastructure

Pune Ring Road - The proposed Pune Ring Road will be developed as an eight-lane expressway with total length of 173 km. Vehicles travelling to areas like Saswad, Nashik, Ahmednagar, Konkan, and Mumbai pass through the city, thus, causing traffic congestion and air and noise pollution. The Ring Road would significantly reduce the travel time and distance. The proposed Ring Road would be developed through a Public-Private Partnership (PPP) and will be developed in 4 parts - the first package will comprise of 29.8 km stretch, second package will comprise of 36.7 km stretch, third package will comprise of 38.3 km stretch, whereas the fourth package will comprise of 68.8 km stretch. Of the 1,900 hectares of land required for the project, 1,740 hectares is private land that must be acquired from 83 villages. A total of INR 1,500 crore has been allocated for land acquisitions, out of which INR 250 crore has been disbursed. Pune Ring Road has got a completion timeline of 2026 from the authorities.

Proposed International Airport - New terminal with a total development size of 40,000 sq. m near the existing Pune International Airport in Lohegaon, is named as Aero mall and has got operational in November 2022. It will cater to the increasing retail and F&B demand of air travellers. The proposed new international airport, Chhatrapati Sambhaji Raje Airport, was supposed to be constructed in Purandar Taluka. However, the Ministry of Defence has cancelled the No Objection Certificate it had issued in August 2021 to the proposed site of the Pune International Airport. So currently, the project has been put on hold.

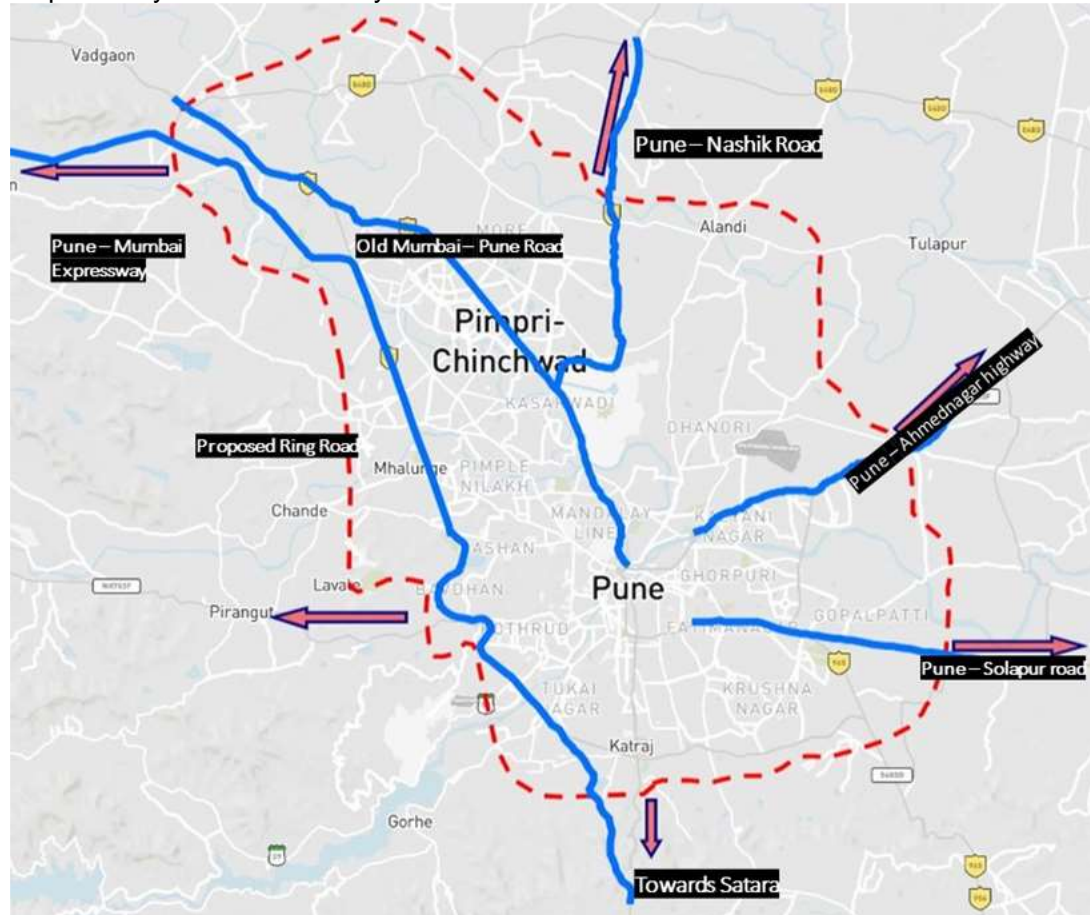
Mula Mutha Rejuvenation Project - Another infrastructure project namely Mula Mutha Rejuvenation Project, has been proposed for development. The rejuvenation project, modelled on the Sabarmati riverfront in Ahmedabad includes the development of 44 km of river stretch, including 22.2 km of Mula river, 10.4 km of Mutha river and 11.8 km of Mula-Mutha river. PMC has decided to include beautification of the 8-km stretch from Bangalore-Mumbai Bypass to Aundh Bridge as a priority stretch, along with 5.3-km stretch from Yerawada to Mundhwa Bridge and 3.7-km stretch from Sangam to Bund Garden.

Table 6.2 Upcoming Infrastructure in the City

Upcoming Project	Completion timeline	Details	Key impact zones
Pune Ring Road	Dec 2025	Eight-lane expressway with total length of 173 km. Land acquisition work is under progress. It would be developed using a PPP model in 4 parts.	Talegaon Dabhade, Hinjewadi, Mahalunge, Sus, Lavale, Bhugaon, Bavdhan, Warje, Shivane, Dhayari, Kondhwa, Loni Kalbhor, Manjari, Wagholi, Alandi, Chakan
Chhatrapati Sambhaji Raje Airport, Purandar	On hold	It was supposed to be constructed in Purandar Taluka. Ministry of Defence has cancelled the No Objection Certificate it had issued in August 2021 to the proposed new site of the Pune International Airport	NA
Mula Mutha Rejuvenation Project	NA	Development of 44 km of river stretch, including 22.2 km of Mula river, 10.4 km of Mutha river and 11.8 km of Mula-Mutha river.	Sangamwadi, Bund Garden, Koregaon Park, Mundhwa, Kalyani nagar, Wadgaon sheri, Kharadi, Shivaji nagar, J.M Road, Deccan

Pune – Key Roads in the City

Map 6.1 Key Roads in the City



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Existing Metro Rail Lines

Pune Metro Lines - Pune Metro Rail has three lines under construction with a total coverage of 54.58 km. Line 1 runs from the PCMC Building to Swargate and Line 2 runs from Vanaz to Ramwadi. Both these lines are being implemented by MahaMetro and the central government with a 50:50 joint venture. Two priority stretches namely Vanaz to Garware college (5 km) on Line 2 or the Aqua line and PCMC bhavan to Phugewadi (7 km) on Line 1 or the purple line have become operational from March 6, 2022, onwards. Line 3 which runs from Megapolis circle in Hinjewadi Phase 3 to Shivajinagar, is being constructed by PMRDA and Tata Siemens on a 50:50 joint venture. The construction work on the Hinjewadi to Shivajinagar route (line 3) has been started which has a completion timeline of 2026. The proposed extension of Pune metro Line 1 from Swargate till Katraj which will be completely underground has been approved by the civic body and is expected to be operational till 2027. In addition to this, PMRDA has decided to extend Hinjewadi to the Shivajinagar route (Line 3) to Loni Kalbhor, while Mahametro has proposed a 28 km route from Khadakwasla to Kharadi.

Upcoming Metro Rail Lines

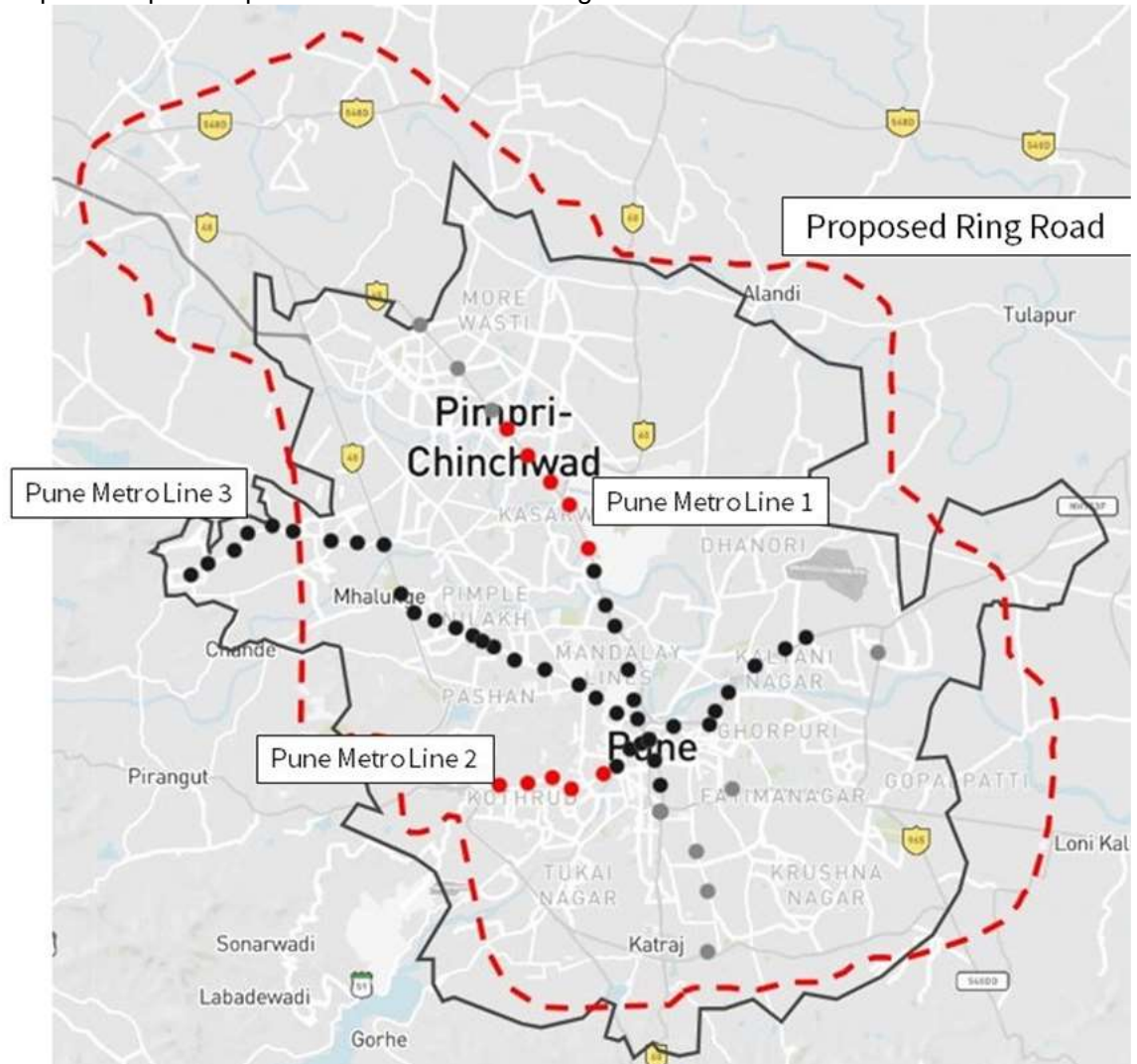
Table 6.3 Upcoming Metro in the City

Upcoming Project	Completion timeline	Details	Key Impact Zones
Pune Metro Line 1 or Purple line	5 km stretch from PCMC Bhavan to Phugewadi operational – March 2022; Complete line – 2023.	Will run from PCMC Bhavan to Swargate; Total length – 16.6 km; No. of stations – 14 out of which 9 stations are elevated and 5 stations are underground. Proposed extension – Swargate to Katraj and PCMC Bhavan to Nigdi.	Pimpri, Chinchwad, Kasarwadi, Pimple Gurav, Sanghvi, Khadki, Range Hills, Shivajinagar, Peth areas (Old Pune)
Pune Metro Line 2 or Aqua line	5 km stretch from Vanaz to Garware college Operational – March 2022; Complete line – 2023	Will run from Vanaz to Ramwadi; Total length – 14.7 km; No. of stations – 16 (all elevated) Proposed extension – Ramwadi to Wagholi	Kothrud, Erandwane, Deccan Gymkhana, J.M Road, PMC Bhavan, Pune Junction, Bund Garden Road, Yerwada, Kalyani nagar, Viman nagar, Kharadi
Pune Metro Line 3	2026	Will run from Megapolis circle in Hinjewadi Phase 3 to Civil court in Shivajinagar. Total length – 23.3 km; No of stations – 23 (all elevated)	Hinjewadi Phase 1,2,3, Wakad, Balewadi, Mahalunge, Baner, Aundh, Pune university, Ganeshkhind road, Shivajinagar.

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Pune - Map of upcoming metro lines and proposed ring road

Map 6.2 Map of Proposed Metro Lines and Ring Road



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

6.4 PUNE - OFFICE SUB MARKETS

The office sub-markets of Pune City are classified into six micro markets based on the market trend as mentioned below.

Table 6.4 Pune Commercial Micro-Markets

Submarket	Locations	Map of Pune office market
CBD	Camp, Station Road, Raja Bahadur Mills Road, Dhole Patil Road, Bund Garden Road, Sangamwadi, Koregaon Park, Fergusson College Road, Ganesh Khind Road, Senapati Bapat Road, Shivaji Nagar, Wakdewadi, Shankar Seth Road	
SBD East	Airport Road, Jail Road, Yerawada, Nagar Road, Viman nagar, Kalyani Nagar, Kharadi, Hadapsar	
SBD West	Aundh, Baner, Balewadi, Bavdhan, Nanded Phata, Kothrud, Erandwane, Warje	
Suburbs East	Fursungi, Wagholi	
Suburbs West	Hinjewadi, Pimple Saudagar, Pimpri, Chinchwad, Bhosari.	

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Leasing Activity

City Market Trends

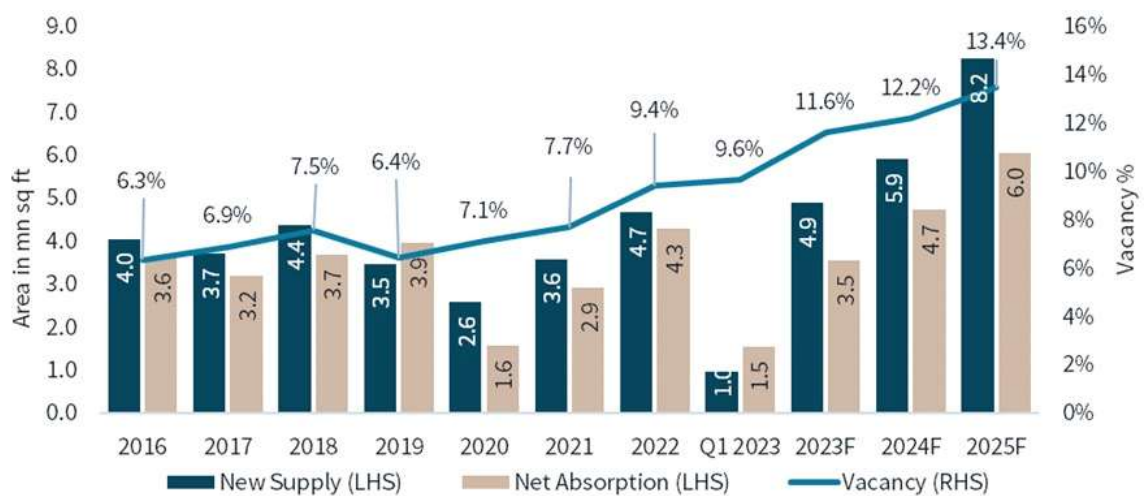
	Total Stock (mn sq ft)	Net Absorption (Mn sq ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
CBD	6.8	- 0.03	-160%	-105%	6.2%	+40 bps	- 60 bps
SBD East	41.8	0.98	202%	1%	7.7%	+180 bps	- 20 bps
SBD West	10.5	0.35	100%	-40%	5.1%	-330 bps	-950 bps
Suburbs East	1.9	-	0%	0%	18.3 %	0 bps	+1380 bps
Suburbs West	15.0	0.22	41%	1%	18.7 %	- 60 bps	+210 bps

Pune Office Market witnessed a rise in demand in Q1 2023 over the previous quarter, however, the demand slowed down compared to same period last year. The overall net absorption recorded in Q1 2023 was 1.53 mn sq ft, up by 219% q-o-q and down by 33% y-o-y. The net absorption comprised of commitments, pre-commitments in the completed projects during the quarter and exits. The increase in the net absorption over the previous quarter was due to a better leasing activity along with a good pre-commitment level in the newly completed

buildings. Pre-leasing in the upcoming projects was down in Q1 2023, compared to Q4 2022. Pre-leasing of 119,360 sq ft was recorded in this quarter.

A healthy quantum of space renewals of around 1.1 mn sq ft was witnessed during the quarter apart from the net absorption, majority of which took place in the SBD East sub-market.

In the gross leasing activity of Q1 2023, Manufacturing/Industrial segment has the highest occupier share of 26%, followed by IT/ITeS and Telecom, Healthcare-Biotech, Real Estate & Construction industries segments with occupier shares of 23% and 19% respectively. E-commerce segment was inactive in leasing space during the quarter. The occupier share of IT & ITeS segment has significantly declined over the years, and mainly during the pandemic, whereas the share of co-working operators in the leasing activity has increased. This is because the corporates especially in the IT & ITeS segment require a more flexible work set-up in times of uncertainty which is hassle free. Therefore, they opt for a managed co-working space over conventional office spaces. Co-working operators like Table Space, Smartworks, WeWork, Indiqube etc. are the key players in the Pune office market.



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Out of the total net absorption in Q1 2023, SBD East has recorded the highest net absorption of around 0.98 mn sq ft followed by SBD West with a net absorption of 0.35 mn sq ft and Suburbs West with a net absorption of 0.22 mn sq ft. Net absorption in CBD sub-market have declined over the quarter as well as over the same period last year as it has witnessed a negative net absorption. Suburbs East which comprises of only one office project namely SP InfoCity did not witness any leasing activity in the quarter. The key transactions that took place in Q1 2023 were Roche Pharma leased 192,000 sq ft in 45ICON in Baner, TIBCO leased 108,040 sq ft space in Binarius in Yerawada and Panasonic leased 127,000 sq ft space in CapitaLand Nalanda in Hinjewadi.

Vacancy

The overall vacancy in Pune's Office Market in Q1 2023, settled at 9.6%, up by 20 bps q-o-q from 9.4% in Q4 2022, whereas down by 70 bps y-o-y from 10.4% in Q1 2022. The increase in vacancy rate in Q1 2023, q-o-q was due to the new supply addition in the city. CBD sub-market has a vacancy rate of 6.2%, up by 40 bps q-o-q, mainly due to low leasing activity and comparatively higher space surrenders. SBD West shows the lowest vacancy rate of 5.1%, down by 330 bps q-o-q as there has been no new supply addition in the sub-market for the last four quarters and due to the leasing activity. SBD East sub-market has a vacancy rate of 7.7%, up by 180 bps q-o-q. While the new supply entered the submarket with healthy pre-commitments, the increase in available space through some exits contributed towards the q-o-q rise in vacancy levels, despite the healthy leasing activity in the sub-market. Suburbs West sub-market has the highest vacancy rate of 18.7%, which has increased by 210 bps y-o-y

from 16.6% in Q1 2022 as the sub-market witnessed a strong supply of 2.8 mn sq ft in 2022, with low occupancy levels.

Submarket Rents

The overall Gross Rents in the city settled at INR 77.8 per sq ft per month, showing a marginal increase of 0.6% q-o-q as well as an increase of 1.6% y-o-y. The CBD and Suburbs East sub-markets did not witness any change in the rental. The CBD sub-market has the highest rents in the city, closely followed by the SBD East sub-market, whereas Suburbs West sub-market has the lowest rentals in the city. The city witnessed a healthy rental growth every quarter till 2019, however, since 2020, the rents have largely remained stable with marginal growth every quarter.

New supply

The quarter witnessed completion of two new projects namely Gera Commerzone Building 5 in Kharadi and Panchshil Business Park Tower A and B in Viman Nagar, both in the SBD East sub-market, accounting to a new supply of 1.83 mn sq ft. Both the projects together had a pre-commitment level of 53% which contributed to the net absorption during the quarter. However, there was a withdrawal of 0.88 mn sq ft worth projects which were downgraded to Grade B. Thus, the net increase in the total stock was 0.95 mn sq ft. The new supply is entering the city's office market in a slow and steady pace as the pre-commitment levels are low.

Outlook

Pune expects a new supply of 18.1 mn sq ft to enter the office market from Q2 2023 till the end of 2025. Out of the total new supply expected to be operational in this period, 65-70% is premium quality supply by prominent developers like Panchshil Realty, K Raheja corp, Brookfield, CapitaLand group, Prestige group, RMZ Corp and Godrej properties. SBD East sub-market accounts for the largest share of 56% of the total upcoming supply till 2025, whereas sub-markets like Suburbs West, SBD West and CBD foresee a similar supply in the range of 2-3 mn sq ft by the end of 2025.

Some of the key completions include Bluegrass Business Park Tower A, Commerzone Kharadi Building 1 and 4, ITPP Kharadi Block 2, Panchshil Business Hub (S.no 40), Prestige Alphatech, EON West Phase 1 and RMZ The Edge 10. The demand is expected to grow at a slow pace in 2023, as the corporates have paused their expansion plans due to the global economic slowdown. However, it is expected to pick up pace in 2024-25. Due to good quality supply and growth in demand, rents expect a good growth by the end of 2025.

6.5 MICRO MARKET : SECONDARY BUSINESS DISTRICT EAST

The Gera Commerzone project lies in the Secondary Business District East.

Supply, Demand Trend

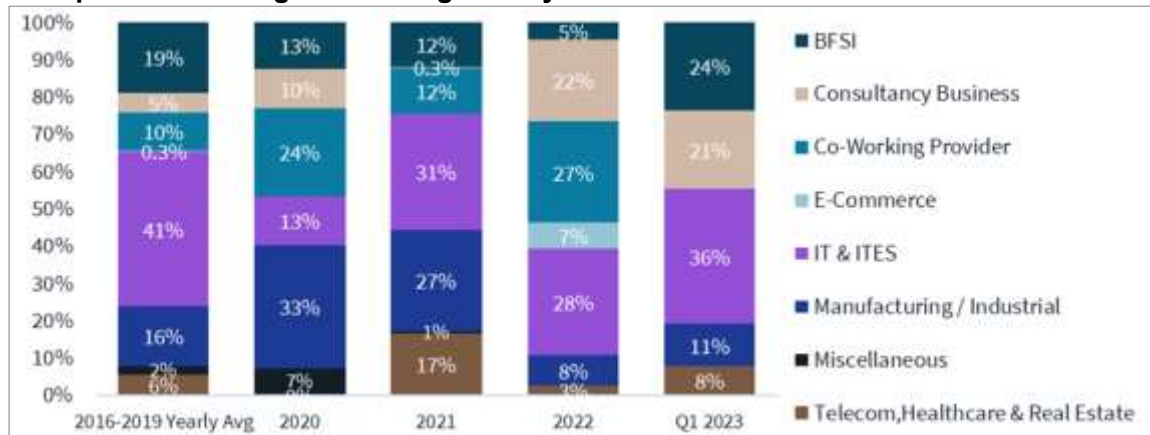
Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

SBD East comprises of key micro-markets like Yerawada, Kalyani Nagar, Viman Nagar, Kharadi and Hadapsar. It has absorbed around 64% of the total net absorption in the city in the first quarter of 2023. It recorded a net absorption of 0.98 mn sq ft in Q1 2023, which was up by 202% q-o-q as well as 1% y-o-y. The net absorption comprised of commitments, pre-commitments in the completed buildings and exits. In the gross leasing activity of SBD East in Q1 2023, IT&ITeS segment has the highest occupier share of 36% followed by BFSI and consulting business segments with occupier share of 24% and 21% respectively. Some of the key space take-ups in the SBD East sub-market include TIBCO leasing 108,040 sq ft in Yerawada, Bajaj leasing 100,000 sq ft in Phoenix Fountain head Tower 3 in Viman Nagar, Deloitte leasing 80,000 sq ft ITPP Kharadi and Apex Fund leasing 61,000 sq ft Panchshil Business Park in Viman Nagar.

Supply

The entire new supply that entered the Pune Office market in Q1 2023 was witnessed in the SBD East sub-market. Projects like Gera Commerzone Bldg 5 in Kharadi and Panchshil Business Park in Viman nagar got completed during the quarter, adding a new supply of 1.83 mn sq ft. However, there was a withdrawal of 0.05 mn sq ft worth project which was downgraded to Grade B. Thus, the net increase in the total stock of SBD East sub-market was 1.78 mn sq ft.

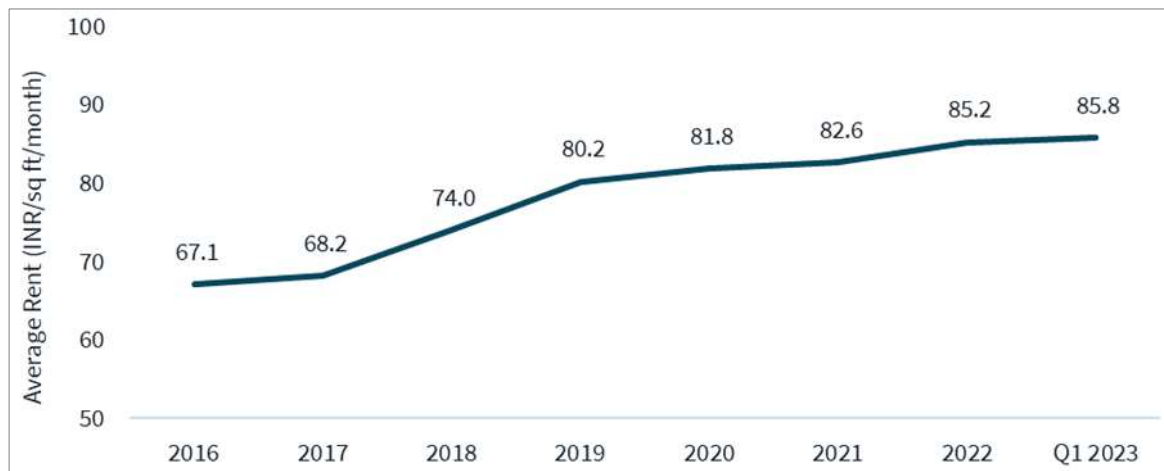
Vacancy

Vacancy in Q1 2023 in the SBD East sub-market settled at 7.7%, up by 180 bps from 5.9% in Q4 2022, due to the new supply in the sub-market.

Rents

It is observed the rental values for commercial / office space in the immediate surroundings in the micro market varies between INR 75 – 90 per sq. ft. per month as per the leases transacted during the year 2022. The asking instances are upwards at INR 80 - 100 per sq. ft. per month. The CAGR of rental growth is recorded at 3.1% in last 6 years (2017-2022).

The Gross Rents in SBD East sub-market settled at INR 85.8 per sq ft per month in Q1 2023. Prominent projects in the sub-market like Panchshil Business Bay and Panchshil Tech Park One in Yerawada command rents in the range of INR 120-130 and INR 110-120 per sq ft per month respectively. Eon Free Zone and World Trade Centre in Kharadi command rents in the range of INR 90-100 per sq ft per month. Similar projects like Commerzone Yerawada and Gera Commerzone Kharadi command rents in the range of INR 80-85 per sq ft per month.



Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Mindspace REIT micro markets, 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.

Prominent Lease Transactions within the Micro-Market

Table 6.5: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Name of the Building	Name of the Occupier	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
1	International Tech Park Pune, Kharadi	Deloitte	Kharadi	77,969	78-80	Q3 2022
2	International Tech Park Pune, Kharadi	Deloitte, Deloitte Financial Advisory Services India	Kharadi	77,969	79-82	Q4 2022
3	Eon Free Zone	Allscripts Healthcare Technologies India	Kharadi	35,820	77-79	Q4 2022
4	Panchshil Business Bay	HSBC	Yerwada	482,697	90-93	Q4 2022
6	Panchshil Business Bay	Deutsche India	Yerwada	398,857	91-93	Q4 2022
7	Eon Free Zone	Quadrant Knowledge Solutions	Kharadi	33,059	87-90	Q4 2022
8	Panchshil World Trade Centre	WeWork	Kharadi	29,475	95-98	Q2 2022
9	Tech Park One	Johnson Controls	Yerwada	70,562	106-109	Q4 2022
10	Binarius	Bristlecone India	Yerwada	37,500	85-88	Q4 2022
11	Binarius	Cotiviti India	Yerwada	42,662	89-92	Q4 2022
12	International Tech Park Pune, Kharadi	Tablespace	Kharadi	64,732	79-81	Q4 2022
13	International Tech Park Pune, Kharadi	MT Bidco Consulting Solutions	Kharadi	26,518	82-84	Q4 2022
14	International Tech Park Pune, Kharadi	315 Work Avenue Spaces	Kharadi	40,015	79-82	Q3 2022
15	International Tech Park Pune, Kharadi	NielsenIQ India	Kharadi	57,672	74-77	Q1 2022
18	Eon Free Zone	Eaton Technologies	Kharadi	84,028	70-73	Q3 2022
19	Vascon Almonte	EFC	Kharadi	30,030	85-87	Q3 2022
20	International Tech Park Pune, Kharadi	KPMG	Kharadi	53,230	76-79	Q3 2022
21	Panchshil World Trade Centre	HCL	Kharadi	40,790	91-94	Q3 2022
22	International Tech Park Pune, Kharadi	Petc Technology Solutions	Kharadi	121,137	74-77	Q2 2022
23	Tech Park One	Vatika Business Centres	Yerwada	32,395	92-95	Q2 2022
25	Eon Free Zone	L&T Infotech	Kharadi	37,900	102-104	Q1 2022
26	Tech Park One	Netcracker Technology Solutions India	Yerwada	42,091	142-145	Q1 2022
27	Blue Grass Business Park	Mastercard	Yerwada	356,238	86-89	Q1 2022
28	Panchshil World Trade Centre	WeWork	Kharadi	29,475	95-98	Q1 2022
30	Panchshil Business Bay	Mercer Consulting	Yerwada	26,007	139-142	Q1 2023
31	Panchshil Business Bay	Dws India	Yerwada	21,580	90-93	Q1 2023

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

The lease transactions in the micro market are recorded in the range of INR 75 - 80 per sq. ft. per month. The lease transactions in Kharadi location where the Project is located are in the range of INR 80 to 90 per sq. ft per month. Market rent for Gera Commerzone Project has been considered in line with the achievable market rent for completed buildings at INR 81 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within India

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6.6: List of transactions / deals in major cities recent past

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40,000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Info city	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Info city	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 – 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, 31st March 2023

Project Site is **Gera Commerzone IT and SEZ Park** which is one of the known developments for IT/ITeS companies located in the Northeast Micro-Market at Yerwada in Pune City. The Project is part of the portfolio of **Mindspace Business Parks REIT** (Mindspace REIT) and one of the established Commercial Real Estate developers into Grade A office developments. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A space spread across (4) SEZ and IT Buildings (R1, R2, R3 & R4) and Glass Box with good amenities and facilities. There are prominent clients in the larger campus such as Barclays, Global Services, UPS Logistics, Mindcrest India Pvt. Ltd., etc., and is preferred commercial development in this micro-market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

SBD East sub-market foresees a new supply of 10.2 mn sq ft from Q2 2023 to 2025, with a pre-commitment level of 10-15%. Around 56% of the total new supply in the city by the end of 2025 belongs to this sub-market. Key completions in this sub-market include Bluegrass Business Park Tower A, Commerzone Kharadi Building 1 and 4, ITPP Kharadi Block 2, Panchshil Business Hub (S.no 40) and Prestige Alphatech. With quality supply entering in the next three years and a good number of RFPs from the BFSI, IT/ITeS and manufacturing companies in the sub-market, demand is expected to see a better growth compared to other sub-markets. Rents, therefore, are also expected to grow by the end of 2025.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project has been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimation 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 lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent-free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

Construction Timelines

As mentioned earlier, the Project has approx. 2.9 million sq ft. leasable area.

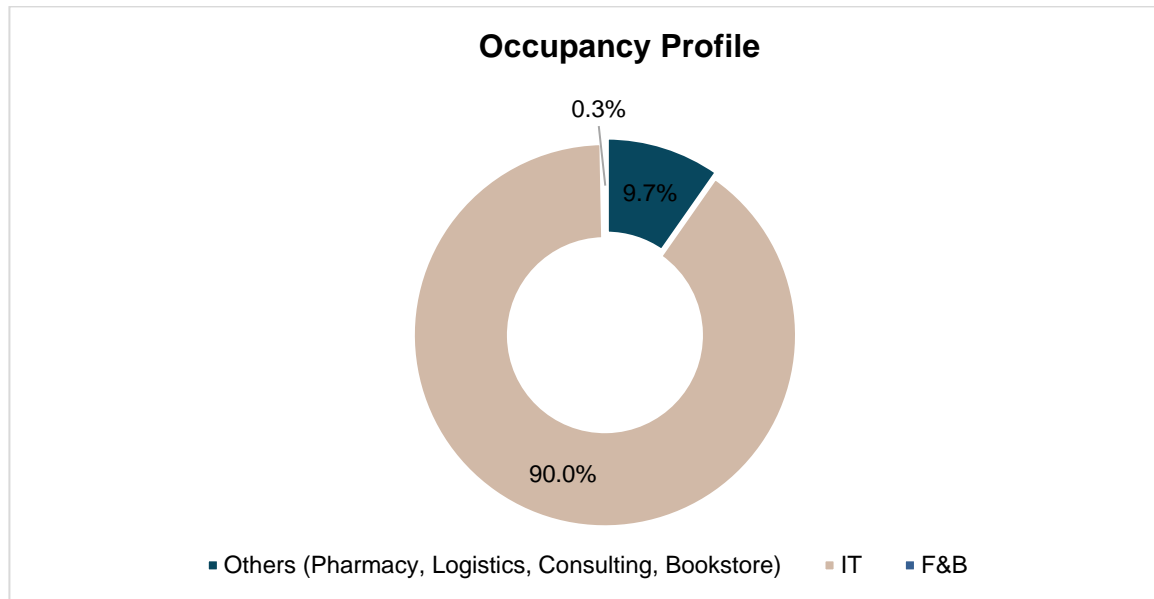
For Completed Buildings – The completed blocks (R1, R3 and R4) comprises of 1.9 million sq ft. leasable area. The buildings have received full occupancy certificate. However, there are certain balance payments to be made to vendors for Building R1 and R3 to the tune of INR 3 Mn and INR 669 Mn which shall be paid by Q1 FY24 and Q1 FY25 respectively.

For under construction Building - Building R2 that comprises of 1.0 Mn sq ft space is under construction. The CAPEX (including approvals) for the under-construction block to be incurred is INR 4,040 Mn and is expected to be completed by Q4 FY25.

7.3 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows: -

- ~90.0% space is taken by IT/ITeS Sector
- ~9.7% of the space is taken by Consulting, Logistics, Bookstores, etc.
- ~0.3% of the space is taken by F&B outlet



7.4 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	1,929,154 sq ft	As per the information provided by the Client
Leased Area	1,928,654 sq ft	As per the information provided by the Client
Vacant Area / Vacancy	500 sq ft	As per the information provided by the Client
Vacancy Allowance	2.0%	As per market benchmarks for large scale Grade A office projects. .
Area to be Leased	500 sq ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market.
Rent Free Period for New Leases	3 months	As prevalent in the micro-market.
Total No. of Car Parking Spaces	1,737 No.s	As per the information provided by the Client

Parameters	Assumptions / Inputs	Remarks / Basis
No. of Car Parking Spaces Leased	177 No.s	As per the information provided by the Client
Construction Related Assumptions		
Construction Cost to be incurred	INR 671.5 Mn	As per the information provided by the Client
Estimated Date by which Expenses Expected to be Incurred	Q1 FY25	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases i.e. 4.5% every year.	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent - Office	INR 81.0 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 75 – 85 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 80 - 95 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market Rent - Car Parking Space	INR 2,000.0 per sq. ft. per month	The Grade A offices offers car parking rates in the range of INR 1,500 – 3,000 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the Project Site is derived.
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent - Kiosk	INR 135.0 per sq. ft. per month	As prevalent in the market
Market / Marginal Rent - Terrace	Not Applicable	
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income

Parameters	Assumptions / Inputs	Remarks / Basis
		includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	5.0% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5.0% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76.0%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower
Maintenance Services Income / CAM Income	Building R1 - INR 2.2 per sq. ft per month Building R3 & R4 - INR 9.8 per sq. ft per month	The CAM rate in Grade-A Commercial Development is observed to be in the range of INR 8 – 12 per sq. ft. per month. However, Building R1 is not completely managed by the client, hence the CAM for R1 is lesser.
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	Building R1 - INR 1.1 per sq.ft per month Building R3 & R4 - INR 7.3 per sq.ft per month	The CAM in this project is considered as per the information provided by the Client.
Property Tax	INR 3.69 per sq ft per month	As given by the Client
Insurance	INR 0.49 per sq ft per month	As given by the Client
Cost Escalation	3.0% per Annum	As prevalent in the market.
CAM Escalation	5.0% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1.0% of Terminal Value	As prevalent in the market
Other Operating Expenses	2.0% of Base Rent + Car Parking Charges	As prevalent in the market

Parameters	Assumptions / Inputs	Remarks / Basis
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the net cash flow of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

Table 7.3: Key Assumptions Used in the Estimate of Under Construction Block

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	1,007,933 sq ft	As per the information provided by the Client
Leased Area	00 sq ft (Under / Construction Project)	As per the information provided by the Client
Vacant Area / Vacancy	100%	As per the information provided by the Client, the block is Under-construction stage.
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects..
Area to be Leased	1,007,933 sq.ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market for Grade A properties, the rent-free period for existing lease rollovers is two months.
Rent Free Period for New Leases	3 months	As prevalent in the micro-market for Grade A properties, the rent-free period for new leases is three months.
Construction Related Assumptions		

Parameters	Assumptions / Inputs	Remarks / Basis
Construction Related Assumptions		
Approx. construction Cost to be Incurred	INR 4,040 Mn	As per the information provided by the Client
Estimated Completion Date	Dec 2024	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases i.e. 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent – Office	INR 81 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 75 – 85 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 80 – 95 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market Rent – Car Parking Space	Not Applicable	
Market / Marginal Rent – Food Court	Not Applicable	
Market / Marginal Rent – Kiosk	Not Applicable	
Market / Marginal Rent – Terrace	Not Applicable	
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	5.0% per Annum	Considering the historical growth rate and the current market dynamics we have

Parameters	Assumptions / Inputs	Remarks / Basis
		assumed a market rent growth of 5.0% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per Annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76.0%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 9.8 per sq.ft per month	The CAM rate in Grade-A Commercial Development is observed to be in the range of INR 8 – 12 per sq.ft. per month. The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage – New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage – Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 7.28 per sq.ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 3.69 per sq ft per month	As given by the Client
Insurance	INR 0.49 per sq ft per month	As given by the Client
Cost Escalation	3.0% per Annum	As prevalent in the market.
CAM Escalation	5.0% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1.0% of Terminal Value	As prevalent in the market
Other Operating Expenses	2.0% of Base Rent + Car Parking Charges	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 13.0%	Refer Section 3.3 of this report

Parameters	Assumptions / Inputs	Remarks / Basis
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the net cashflows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.5 POWER DISTRIBUTION SERVICES

7.5.1 ADOPTED METHODOLOGY

Referring to the commission's latest order for the operational facility, the cash flows from the power distribution services are projected in the following manner:

- Amount of approved Gross Fixed Assets ("GFA") is considered
- Further, Net Fixed Asset (NFA) which is GFA reduced by accumulated depreciation allowed as on date is computed.
- To compute the Net Cash Flows, mainly return on equity, interest on notational debt, recovery of depreciation, interest on working capital have been added.
- Licensee is allowed to charge 14% return on equity which is 30% of GFA. In case of no actual loan, the commission allows a return on normative loan equal to 70% of GFA based on MYT regulations 2019. SLM (Straight Line Method) is considered for depreciation, as per the average rate approved by the commission. Depreciation is considered to the extent of 90% of the GFA.
- Approved power procurement, operational and maintenance expenses are allowed completely pass through.

7.5.2 KEY ASSUMPTIONS AND INPUTS

Following are the key details as per the Commission order dated 31 March 2023:

Table 7.4 Key Assumptions Used for Power Distribution Services

Particulars	Unit	Figure
Gross Fixed Assets	INR Mn	252
Notional Equity (30% of GFA)	INR Mn	76
Notional Debt as on March 2023 (70% of GFA)	INR Mn	176
Return on Equity	%	14%
Depreciation Rate	% Per annum	5.3%
License End Date	Date	18 June 2042

7.5.3 KEY PROJECTIONS FOR CASHFLOWS

Following are the key projections, as provided by the Client

Table 7.5 Key Projections for Power Distribution Services

Particulars	Unit	Q1 FY 2024	Q2 FY 2024	Q3FY 2024	Q4 FY 2024
Number of units sold	Mn units	5.6	6.5	7.3	7.9
Revenue from Sales	INR Mn	53	61	69	74
FAC Fund	INR Mn	7	8	9	10
Power purchase expense	INR Mn	41	48	54	58
Project support fees	INR Mn	4	5	6	6
Other R&M expenses	INR Mn	2	2	2	2
Other expenses	INR Mn	14	14	14	14

For the purpose of discounting the future cash flows Weighted Average Cost of Capital (WACC) of 10.5% has been utilized.

Following are the key projections for the purpose of projecting the future cashflows and further discounting the same to arrive at the market value for the Power Distribution Services.

Table 7.6 Key Assumptions for Operating Parameters

Assumption	Unit	Details
Power Purchase Cost (Increase % p.a. post)	% per annum	5.0%
O&M (Increase % p.a.)	% per annum	7.0%
Depreciation (SLM) -MERC	%	5.3%
Depreciation (SLM) -Companies Act	%	3.8%
Transition Loss	%	0.7%
Prov for 56ontingency (% of GB)	%	0.0%

7.6 FACILITIES MANAGEMENT SERVICES

7.6.1 KEY ASSUMPTIONS AND INPUTS

Table 7.7 Key Assumptions Used for Facility Management Services

Status	Area (Mn Sq.Ft)	Remarks
Operational Buildings under Facility Management (mix of SEZ and non SEZ buildings)	28.0	The revenue of facility management is linked to the expense for such facility plus mark up, the growth in the revenues from existing tenants are in line with the inflation expectation of 5%.
Expansion in Existing business and building under construction	5.9	For future development/proposed buildings, revenue and margins of existing properties is considered as a base to compute the projected cash flows of new buildings. Growth in revenue is linked to the improvement in occupancy plus 5% revenue growth from existing tenants. Initially those buildings are likely to have lower margins due to lesser occupancy

For arriving at terminal year income multiple, Indian and International comparable companies listed on various stock exchanges were studied. It was observed that International companies with primary business of facility/property management trade at 10 – 15 times EV/EBITDA multiple. However, there are very limited comparable facility management listed companies. SIS India which is recently listed in Indian stock exchange in India offers facility management services in India including security services, cash logistic etc. Given the fact that facility/property management business is limited to the Subject Properties only with ownership

interest of Mindspace REIT, we have considered the EV/EBITDA multiple of 13x to compute the exit value at stabilized year ending March 2033.

7.7 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is estimated to be as follows:

Table 7.8: Market Value of the Project

Component	Market Value as on	In Figures (INR Mn)	In Words
Total Market Value (Completed / Operational, including power distribution business of KRC Infrastructure and Projects Pvt. Ltd. And the Facilities Management Business)	31 st March 2023	28,100.47	INR Twenty-Eight Billion One Hundred Million Four Hundred and Seventy Thousand Only.
Total Market Value (Under construction, including the Facilities Management Business) *Under Construction does not have Power Distribution Services	31 st March 2023	5,052.76	INR Five Billion Fifty-Two Million Seven Hundred and Sixty Thousand Only.
TOTAL VALUE		33,153.23	INR Thirty-Three Billion One Hundred Fifty-Three Million Two Hundred and Thirty Thousand Only.

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the Entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project comprising total leasable area of 2,937,086 sq. ft. of project Gera Commerzone, located in Kharadi, Pune, Maharashtra, India, 412207, power distribution of KRC Infrastructure Projects Pvt. Ltd. and facility management services, is estimated to be **INR 33,153.23 Million (INR Thirty Three Billion One Hundred Fifty Three Million Two Hundred and Thirty Thousand Only).**

Table 7.9 Ready Reckoner Rates for the Property

Component	Ready Reckoner Rate (INR per sq.m)
Commercial (Built-Up Area)	87,520
Land Area (Open Plot)	26,610

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

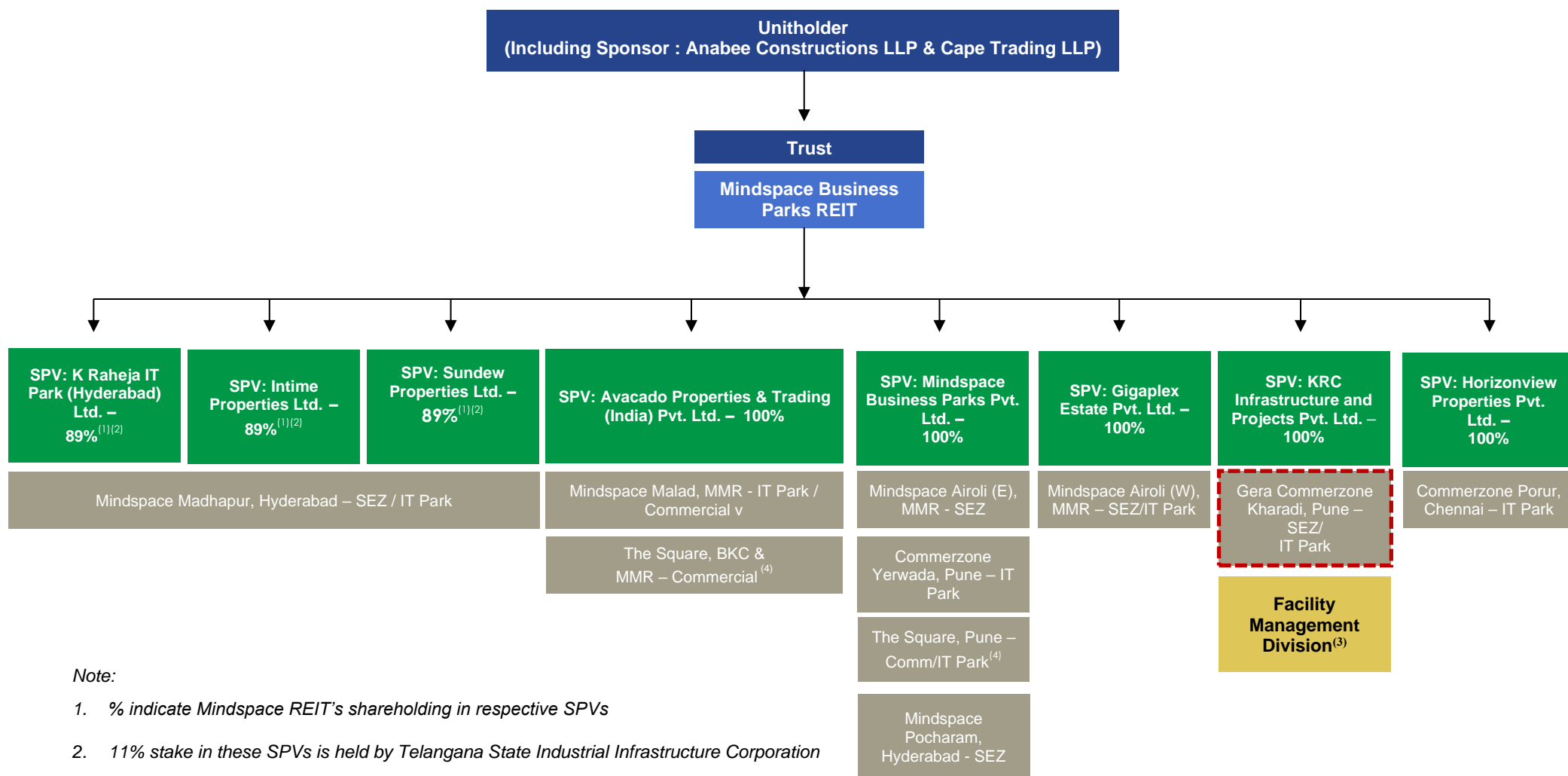
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

Ownership Structure of the Project



Annexure - 2 Layout Plan of the Project



Annexure - 3

Statement of Key Assets within the Project

BUILDING	B3(R1)	B6(R4)	B5(R3)
Floor	2B+2P+12F	1B+1P+13F	2B+3P+13F
Warm Shell / Bare shell	Warm shell	Warm shell	Warm shell
Air Cooled Chiller	2 x 350	1 x 400	2 X 325
Water Cooled Chiller	3 x 550	3 x 350	2 X 650
No of Elevators /Make	14 -Schindler	14 - Toshiba	14 - Toshiba
No of DG / Capacity	4 x 2250	3 x 2000	3 x 2000
No of Transformers / Capacity	4 x 2250	3 x 2000	4 x 2000
Booster Pump		9.3, Graves Cotton	9.3 KW/ Wilo
Jockey Pump		2 x 11 Crompton Graves	2 X 11 KW/ CG Power and Industrial Solutions Limited
Fire Diesel Pump		113, Graves Cotton	113.2 KW/Greaves Cotton LTD
Hydrant Pump		110, Crompton Graves	110 KW/ CG Power and Industrial Solutions Limited
Sprinkle Pump		110, Crompton Graves	110 KW/ CG Power and Industrial Solutions Limited
STP Rating	350	400	325

Annexure - 4

Approvals and NOCs Received for the Project

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

1. Approvals Received

- a) Approval for masterplans.
- b) Commencement Certificate.
- c) Revised Commencement Certificate of Tower 5(R3) revision and R2 up to 2nd Floor.
- d) Height Clearance NOC from AAI
- e) One-time Fire NOC received and Form B for operational buildings
- f) Environmental Clearances
- g) SEZ Notification
- h) Consent for Establishment (Received and Applied for further amendments)
- i) Consent for Operate for operational Building B3 (R1), B5 (R3) & 6 (R4)
- j) Lift Licenses for operational Building 3 (R1), 6 (R4) & 5 (R3)
- k) Occupancy Certificate for operational building 3 (R1), 6 (R4) & 5 (R3), Glass Box at Podium Level.
- l) LOI for IT Park registration from Directorate of Industry, Maharashtra Govt.

2. Approvals Pending

- a) Revalidation Consent to establish.
- b) Commencement Certificate of remaining floors of Building R2 from 3rd floor.

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Registration and Stamp Department, Government of Maharashtra
Market value rate sheet

Home Valuation Rules User Manual [Close](#) [Feedback](#)

Year: 2023/2024 Language: English

Selected District: Pune
 Select Taluka: Haveli
 Select Village: kharadi
 Search By: ☐ Survey no ☒ Location

Select	subdivision	open land	Residential Plots	Office	shops	Industrial	Unit (Rs./)
SurveyNo	55-669-Resident property	26610	71490	87530	95130	0	Sq. meter
SurveyNo	55-670-Industrial Department and other similar uses	17610	68280	69570	81490	0	Sq. meter
SurveyNo	55-672-Village	16020	39770	45740	53910	0	Sq. meter
SurveyNo	55-673-Affected Areas by Defense Department	11160	52430	58370	65540	0	Sq. meter

1 2 3 4

Annexure - 6

Discounted Cash Flow Profile

Table 7.10 Discounted Cash Flow for Completed/Operational Project (INR Mn)

		1-APR-22	1-APR-23	1-APR-24	1-APR-25	1-APR-26	1-APR-27	1-APR-28	1-APR-29	1-APR-30	1-APR-31	1-APR-32	1-APR-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		585.00	86.00	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		1,714.71	1,878.70	1,955.93	2,107.10	2,115.82	2,205.03	2,366.53	2,269.76	2,507.34	2,662.53	2,716.50
B	Car Parking Income		4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.26	6.13	6.41	6.70
C	Fit-out rentals/ tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		1,718.96	1,882.95	1,960.18	2,111.35	2,120.07	2,209.28	2,370.78	2,274.02	2,513.47	2,668.95	2,723.20
E	Maintenance services income		145.13	174.61	206.24	216.55	223.97	233.97	245.67	257.95	270.85	284.39	298.61
F	Other Operating Income		17.15	18.79	19.56	21.07	21.16	22.05	23.67	22.70	25.07	26.63	27.17
G	Revenue from Operations		1,881.23	2,076.35	2,185.98	2,348.97	2,365.19	2,465.30	2,640.11	2,554.67	2,809.39	2,979.96	3,048.98
	Direct Operating Expenses												
H	Maintenance services Expenses		103.47	124.79	147.99	155.39	163.16	171.32	179.88	188.88	198.32	208.24	218.65
I	Property Tax		88.16	90.81	93.53	96.34	99.23	102.20	105.27	108.43	111.68	115.03	118.48
J	Insurance Premium		11.90	12.26	12.63	13.01	13.40	13.80	14.21	14.64	15.08	15.53	16.00
K	Net Operating Income (NOI)		1,677.70	1,848.49	1,931.83	2,084.24	2,089.41	2,177.98	2,340.75	2,242.73	2,484.31	2,641.16	2,695.85
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	33,361.19	-
	Indirect Operating Expenses												
L	Brokerage Fees		0.14	0.03	0.58	2.56	8.08	0.20	11.30	63.77	-	6.07	-
M	Property Management Fee		60.76	66.56	69.29	74.63	74.94	78.10	83.81	80.39	88.85	94.34	96.26
N	Other operational expenses		34.38	37.66	39.20	42.23	42.40	44.19	47.42	45.48	50.27	53.38	54.46
O	Net Cashflows		997.41	1,658.23	1,822.75	1,964.82	1,963.99	2,055.49	2,198.23	2,053.09	2,345.20	35,848.56	2,545.13

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

Table 7.11 Discounted Cash Flow of Under-Construction Project (INR Mn)

		1-APR-22	1-APR-23	1-APR-24	1-APR-25	1-APR-26	1-APR-27	1-APR-28	1-APR-29	1-APR-30	1-APR-31	1-APR-32	1-APR-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		2,184.29	1,877.60	-	-	-	-	-	-	-	-	-
	Land Cost		720.00	419.00									
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		-	79.20	490.22	935.55	1,072.42	1,120.68	1,171.11	1,223.81	1,278.88	1,336.43	1,406.70
D	Facility Rentals		-	79.20	490.22	935.55	1,072.42	1,120.68	1,171.11	1,223.81	1,278.88	1,336.43	1,406.70
E	Maintenance services income		-	10.09	54.73	122.34	140.14	147.14	154.50	162.23	170.34	178.86	187.80
F	Other Operating Income		-	0.79	4.90	9.36	10.72	11.21	11.71	12.24	12.79	13.36	14.07
G	Revenue from Operations		-	90.08	549.85	1,067.24	1,223.28	1,279.03	1,337.32	1,398.27	1,462.01	1,528.65	1,608.56
	Direct Operating Expenses												
H	Maintenance services Expenses		-	24.26	70.05	100.29	112.33	117.94	123.84	130.03	136.54	143.36	150.53
I	Property Tax		-	23.72	48.87	50.33	51.84	53.40	55.00	56.65	58.35	60.10	61.90
J	Insurance Premium		-	3.20	6.60	6.80	7.00	7.21	7.43	7.65	7.88	8.11	8.36
K	Net Operating Income (NOI)		-	38.89	424.34	909.82	1,052.11	1,100.48	1,151.05	1,203.94	1,259.24	1,317.07	1,387.77
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	17,173.64	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	52.80	73.92	42.37	-	-	-	-	-	-	-
M	Property Management Fee		-	2.80	17.33	33.07	37.91	39.62	41.40	43.26	45.21	47.24	49.73
N	Other operational expenses		-	1.58	9.80	18.71	21.45	22.41	23.42	24.48	25.58	26.73	28.13
O	Net Cashflows	0	(2,904.29)	(2,314.88)	323.29	815.67	992.75	1,038.45	1,086.23	1,136.20	1,188.46	18,416.74	1,309.91

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

Table 7.12 Cash Flow Projections of Power Distribution Services

		1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33	1-Apr-34	1-Apr-35	1-Apr-36	1-Apr-37	1-Apr-38	1-Apr-39	1-Apr-40	1-Apr-41	1-Apr-42
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36	31-Mar-37	31-Mar-38	31-Mar-39	31-Mar-40	31-Mar-41	31-Mar-42	18-Jun-42
Particulars	Unit																				
Revenue	INR Mn	271.9	294.81	302.16	314.35	327.27	340.96	355.48	371.5	389.36	408.18	428.02	448.92	470.95	494.17	518.64	544.45	571.65	600.32	630.56	145.2
Net Cashflows	INR Mn	-28.3	46.1	40.89	39.33	37.76	36.19	34.63	33.71	33.71	33.71	33.71	33.72	33.72	33.72	33.73	33.73	33.73	33.74	33.74	8.43

Table 7.13 Cash Flow Projections of Facility Management Services - Completed Buildings

		1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33
Particulars	Unit										
Revenue	INR Mn	1,580	1,659	1,742	1,829	1,920	2,016	2,117	2,223	2,334	2,451
Net Cash Flow	INR Mn	453	449	471	495	520	546	573	602	632	9,717

Table 7.14 Cash Flow Projections of Facility Management Services - Under Construction Buildings

		1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32
		31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33
Particulars	Unit										
Revenue	INR Mn	1	131	156	346	592	622	653	685	719	755
Net Cash Flow	INR Mn	0	19	23	66	125	131	138	145	152	2,340

Annexure - 7

Rent Equalization Arrangement Between Gera and KRC

In the Rent Equalization Agreement dated December 27, 2021; between Gera Resorts Private Limited ("Gera") and KRC Infrastructure and Projects Private Limited ("KRC Infra"), an SPV owned by Mindspace REIT, the revenues (as defined in the said agreement) from identified buildings, namely, G1, R2 and R3 of the property named Gera Commerzone in Pune have been agreed to be distributed between Gera and KRC Infra in the ratio defined in the agreement ("Inter-se Ratio"), for the period between the month of leasing of the first unit to the month of leasing of the last unit ("Agreed Period"). Further party shall settle any shortfall / excess basis the inter-se ratio with the other party at the end of Agreed Period.

As on the date of valuation, only one building (R3) has received occupancy certificate, while R2 and G1 are still under construction and hence assumptions have been made regarding the date from which these buildings may be expected to get leased and generate revenues, using consistent assumptions. Based on these assumptions, the likely differential in revenues expected from these buildings were assessed to be materially insignificant compared to the agreed ratio in the Rent Equalization Agreement, mentioned above.

In a scenario, where the actual revenues in the future do not actualize, the same would be required to be taken into account when the last of the units, as mentioned above, gets leased based on a certificate from a qualified Chartered Accountant, as mentioned in the said agreement.

Therefore, on the principle of material impact being negligible, we are assuming no value impact as of March 2023.

Annexure - 8

Material Litigations

i) Title litigation and irregularities:

1. Ashok Phulchand Bhandari has instituted a civil suit against Balasaheb Laxman Shivle and 29 others ("**Defendants**") alleging rights over a portion of land admeasuring approximately 0 hectares 44.15 ares (1.09 acres) ("**Suit Land**"), on which Gera Commerzone Kharadi is situated. KRC Infra is not a party to the suit and further, no summons from the Court have been received by KRC Infra till date. Gera Developments Private Limited, the original purchaser of the Gera Commerzone Kharadi land has also not been joined as a party to the suit.

A Special Civil Suit no. 2102 of 2010 is filed by Ashok Phulchand Bhandari against the Defendants before the Civil Judge, Senior Division, Pune ("**2010 Suit**") with respect to the Suit Land seeking inter alia declaration, specific performance against the Defendants and a decree of permanent injunction restraining the Defendants from causing any construction or development on the Suit Land. Ashok Phulchand Bhandari has also challenged inter alia (a) the decree dated September 26, 2008 passed by the Civil Judge, Senior Division, Pune, wherein the suit filed in 2005 by Tanhubai Amruta Pathare, (wife of late Amruta Tukaram Pathare, being one of the erstwhile co-owners of a portion of the Suit Land), through her legal heirs, against Popat Amruta Pathare, one of the Defendants ("**2005 Suit**"), was withdrawn on the basis of a compromise pursuiv arrived at between the parties to the 2005 Suit and one of the Defendants; (b) registered partition deed / Vatanipatra dated September 15, 1993 pursuant to which Amruta Tukaram Pathare became entitled to a portion of land forming part of the Gera Commerzone land; and (c) will and testament dated January 19, 1995 executed by late Amruta Tukaram Pathare. Further, in view of the 2010 Suit, a notice of lis pendens dated April 10, 2015 was separately filed and registered by Ashok Phulchand Bhandari. The matter is currently pending.

2. The heirs of Balu Laxman Shivle have issued a notice to Gera Developments Private Limited in relation to claim over land admeasuring approximately 0 hectares 80.30 ares (1.98 acres) ("**Disputed Land**"), on which Gera Commerzone Kharadi is situated. No such notice has been received by KRC Infra.

By a notice dated July 16, 2016 ("**Notice**"), the heirs of Balu Laxman Shivle viz. (a) Shobha Balu Shivle, (b) Hrishikesh Balu Shivle, (c) Om Balu Shivle, claimed their share in an area in the Disputed Land, being the share of late Amruta Pathare ("**Land Owner**"). It was also alleged that the registered sale deed dated February 12, 1996 executed in favour of Gera Developments Private Limited was executed without the signatures and consent of the wife and daughter of the Land Owner and that they did not receive any consideration on account of sale of the Disputed Land. By letters dated August 20, 2016 and January 23, 2017, Gera Developments Private Limited has replied to the Notice denying all allegations. No further correspondence has been received.

3. Rahul Bhausahab Pathare, one of the legal heirs of an erstwhile owner of a portion of land forming part of the Gera Commerzone Kharadi land, through his legal counsel, ("**Claimant**") has issued a notice dated December 14, 2019 ("**Notice**") to Gera Developments Private Limited, KRC Infra and others alleging claim over an undivided portion of two lands parcels admeasuring approximately 0 hectares 40 ares (0.98 acres) and 1 hectare 68.6 ares (4.16 acres), respectively, ("**Disputed Lands**"), on which Gera Commerzone Kharadi is situated.

The Claimant has alleged inter alia that (a) the Disputed Lands were the undivided property of the Hindu Undivided Family of Pathare family ("**Pathare HUF**"), and his consent / confirmation was not obtained for sale of the same in favour of Gera Developments Private Limited in the year 1996; (b) since the Claimant was a major at the time of execution of the sale deeds executed in the year 1996 in favour of Gera Developments Private Limited, his signature should have been obtained as a coparcener since, in the absence of any reason for

sale of the Disputed Lands for the benefit of the Pathare HUF, the Karta of the joint family, Bhausaheb Kaluram Pathare (father of the Claimant), could not have executed the sale deeds on behalf of the joint family; (c) Gera Developments Private Limited has, through forgery, fraudulently added hand-written clauses, regarding right of way, to the sale deeds executed in its favour after the execution thereof; and (d) that the subsequent transactions in respect of the Disputed Lands, including inter alia sale of portions thereof in favour of KRC Infra, its mortgage by KRC Infra, leasing of buildings / premises constructed thereon in favour of various lessees, are illegal and not binding upon the Claimant, to the extent of his share in the Disputed Lands.

The Claimant has also sought to take legal action against the addressees (including KRC Infra) in the event (a) any further agreements / arrangements are entered into in respect of the Disputed Lands, and (b) of failure to revoke and cancel the deeds, documents and agreements executed inter se the addressees (including KRC Infra) to the extent of the Claimant's share in the Disputed Lands. KRC Infra, through its legal counsel, has by its letter dated December 24, 2019 sent an interim reply to the Notice inter alia denying the allegations made by the Claimant. KRC Infra, through its legal counsel, has by its letter dated June 29, 2020 sent a response to the Claimant stating inter alia that in absence of supporting documents received from the Claimant in support of his claim pursuant to the interim reply, the Notice stands withdrawn and his claim does not survive. No further correspondence has been received.

4. Saraswati Malhari Gaikwad (deceased) through her heir and others ("**Appellants**") have filed RTS Appeal No. 805 of 2021 against Gera Developers Private Limited, and another ("**Respondents**") before the Sub Divisional Officer, Haveli, Pune ("**SDO**") being aggrieved by the order passed by the Circle Officer in respect of Mutation Entry No. 13226 for Survey No. 65 Hissa No. 3, Village Kharadi, Taluka Haveli, District Pune. The SDO has issued notice dated December 9, 2021 to the Respondents for appearance in the matter and for filing Vakalatnama. On June 9, 2022 Gera Developers Private Limited has filed its reply inter alia seeking dismissal of the RTS Appeal No. 805 of 2021. The application for delay condonation filed by the Appellants has been rejected by the SDO vide order dated November 17, 2022 and the matter has been disposed off.
5. Saraswatibai Malhari Gaikwad (deceased) ("**Plaintiff**") through her heir Sangita Shivaji Kate (acting through her constituted attorney Mr. Amit Jeevan Pathare) has filed Special Civil Suit No. 2040 of 2021 ("**2021 Suit**") against Yashwant Punaji Pathare & 65 others ("**Defendants**") before the Civil Judge, Senior Division, Pune ("**Court**") seeking inter alia preliminary decree of partition for 1/5th undivided share of the Plaintiff in the suit lands including inter alia on which Gera Commerzone Kharadi is situated, cancellation of sale deeds, declaration, permanent injunction and several other reliefs. Gera Developments Private Limited ("**Gera Developments**") and Gera Resorts Private Limited ("**Gera Resorts**"), two of the defendants in the matter have filed an application for rejection of plaint under Order VII Rule 11 of Code of Civil Procedure, which application was rejected by the Court by way of an order passed on May 5, 2022. Thereafter, on June 22, 2022 Gera Developments and Gera Resorts have filed a written statement in the matter. On June 22, 2022 the Plaintiff has filed an application under section 151 of Code of Civil Procedure seeking injunction against certain Defendants from creating third party rights by way of sale, not to carry out construction or development activities. On June 27, 2022, the defendants, Gera Developments and Gera Resorts filed their reply to the temporary injunction application. An application to recall the order dated May 5, 2022 was filed by defendants 1 to 15. The matter was heard on July 16, 2022, wherein the Court rejected the application filed by the defendants 1 and 15. On August 29, 2022, KRC Infra filed an application for intervention as third party for being impleaded in the suit. The hearing was concluded on September 27, 2022 on the intervention application and the matter was posted to October 1, 2022 for passing of an order on the Application for intervention filed by KRC Infra. On October 1, 2022 the matter was further adjourned to October 6, 2022 and further to October 7, 2022. On October 7, 2022 additional arguments were advanced on the intervention application and the matter has been posted for order on the intervention application. By an order dated November 18, 2022, the Court allowed the intervention

application filed by KRC Infra and directed the Plaintiff to implead the intervener i.e. KRC Infra as Defendant No. 66 in the suit within one month of the order. On December 3, 2022 the Plaintiff filed applications for amendment of the plaint and for injunction. On December 13, 2022, KRC Infra filed its say to the application for amendment. By an order dated December 13, 2022, the Court allowed the application of the Plaintiff to amend the plaint in Exhibit 5. Further, by the said Order the Court has directed the Plaintiff to serve the amended compilation upon KRC Infra and KRC Infra to file its written statement along with its say to the application for temporary injunction filed by the Plaintiff. The matter was posted on January 5, 2023 for compliance. On January 5, 2023, KRC Infra filed on record the written statement and say to application for temporary injunction ("**Injunction Application**") along with an Affidavit in support of the say and Application for production of documents along with the list of documents. Thereafter, Defendant Nos. 1 to 14 filed (a) an application seeking adjournment to file an additional written statement; and (b) an application seeking direction from the Court to the Plaintiff to provide documents referred to in the amended Plaint filed by the Plaintiff to the said Defendants. On January 11, 2023, the Plaintiff advanced oral arguments before the Court on the Injunction Application. Thereafter, the Court adjourned the matter to January 24, 2023. On January 24, 2023, Defendant No. 66 filed an application for production of documents and the Plaintiff filed a copy of the order dated January 13, 2023, thereby granting status quo to the order dated December 5, 2022, passed in RTS Appeal No. 429 of 2022 rejecting the Appeal on merits till the final disposal of the Appeal RTS/2/A/1554/2022 filed before the Hon'ble Additional Collector, Pune and the matter was adjourned to February 7, 2023. On February 7, 2023 and February 21, 2023 the Defendant No. 66 advanced arguments before the Court on the Injunction Application. The matter was further posted to March 2, 2023 wherein the Plaintiff concluded her arguments and Defendant No. 66 filed the written notes of arguments. Thereafter the captioned matter has been adjourned to March 15, 2023, for filing written arguments. On March 15, 2023 the matter was adjourned till March 23, 2023. On March 23, 2023, Defendant Nos. 62 and 63 filed an application for amendment of the Written Statement filed by them and the Plaintiff has filed its say to the said application. Thereafter, the Plaintiff and the Defendant Nos. 62 and 63 argued on the aforesaid application and the Court allowed the amendment application. The matter has been adjourned till April 17, 2023 for passing an order on the Injunction Application. Further, a notice of lis pendens dated February 1, 2022 has been registered at the office of Sub Registrar, Haveli no. 11, Pune. The matter is currently pending.

6. Saraswati Malhari Gaikwad (deceased) through her heir Sangita Shivaji Kate (acting through her constituted attorney Mr. Amit Jeevan Pathare) ("**Appellant**") filed an RTS Appeal No. 429 of 2022 on June 2, 2022, before the Sub Divisional Officer, Haveli, Pune ("**SDO**") against Gera Resorts Private Limited through Mr. Nilesh Dave and Mr. Ashish Jangda ("**Respondents**") seeking quashing and setting aside of the order passed on May 26, 2022 by the Circle Officer, Kalas in respect of Mutation Entry No. 27115 ("**Impugned Order**") recording the name of Respondents on the revenue records in pursuance of the duly registered Deed of Confirmation dated March 10, 2021 executed between Gera Developments Pvt Ltd and Gera Resorts Pvt Ltd in respect of Survey No. 65 Hissa No. 3, Village Kharadi, Taluka Haveli, District Pune. The Appellant has filed an application for stay to the Impugned Order passed by the Circle Officer, Kalas. On June 17, 2022 the Sub Division Officer, Haveli granted a stay on the Impugned Order till the next date of hearing i.e. July 4, 2022. By an order dated December 05, 2022, the SDO has rejected the said RTS Appeal on merit and subjected the matter to the final order /outcome of the Special Civil Suit No. 2040 of 2021 filed before the Civil Judge, Senior Division, Pune ("**Court**").
7. Saraswati Malhari Gaikwad (deceased) through her heir Sangita Shivaji Kate (acting through her constituted attorney Mr. Amit Jeevan Pathare) ("**Appellant**") filed an RTS Appeal No. 2/A/1554/2022 on June 6, 2022 before the Additional Collector, Pune ("**Additional Collector**") against Gera Resorts Private Limited through Mr. Ashish Jangda ("**Respondents**") seeking to quash and set aside the order passed on December 5, 2022 by the Sub Division Officer, Haveli ("**Impugned Order**") in respect of the Mutation Entry No. 27115 recording the name of the Respondents on the revenue records in pursuance of the duly registered Deed of Confirmation dated March 10, 2021 executed between Gera Developments Pvt Ltd and Gera Resorts Pvt

Ltd in respect of Survey No. 65 Hissa No. 3, Village Kharadi, Taluka Haveli, District Pune. The Appellant filed an application seeking a stay on the Impugned Order. On January 13, 2023, pursuant to the hearing, the Additional Collector granted a stay on the Impugned Order till the final order disposing of the Appeal. The matter was posted to March 27, 2023. On March 27, 2023, the Appellant filed an Application seeking an amendment to the Appeal to implead KRC Infra as a respondent therein. The matter is currently pending.

(i) Criminal matters:

There are no pending criminal matters against KRC Infra.

(ii) Regulatory actions:

1. A notice dated July 25, 2019 was issued by PMC to KRC Infra and Gera Developments Private Limited ("**GERA**") alleging non-compliance with certain provisions of the approval of reservation shifting dated October 3, 2016 issued by the PMC in relation to a cultural centre, parking and hospital area at Gera Commerzone Kharadi on the basis of a complaint received by PMC. GERA and KRC Infra have replied to the notice, by way of a letter dated August 14, 2019, refuting all allegations. The matter is currently pending.
2. KRC Infra and GERA received two notices both dated June 1, 2021 ("**Notices**") from Tahsildar, Haveli, Pune ("**Tahsildar**") under the Maharashtra Land Revenue Code, 1966, in relation to alleged unauthorised excavation and transportation of minor minerals by KRC Infra from the lands situated in Village Kharadi, Taluka Haveli, Pune. KRC Infra filed its written submissions dated June 10, 2021 ("**Written Submissions**") with the Tahsildar denying the allegations made in the Notices and stating that it has not been provided with copies of the panchnama and the report dated January 9, 2019 and July 26, 2019 of the Talhati, Kharadi, Pune as referred in the aforesaid Notices and it has not done any unauthorised excavation and obtained the prior permission for excavation from the concerned/competent authority and paid the royalty in this regard for which orders have been passed by the said authority. The matter is pending before Tahsildar
3. By letter dated November 1, 2021 to Pune Municipal Corporation ("**PMC**"), KRC Infra informed PMC that it is in receipt of challan dated October 25, 2021 for an amount of ₹ 52.19 million being development charges, building development charges and heritage conversion fund stating that PMC ought to have levied development charges at higher rate of 8% with effect from May 10, 2018 and PMC has recovered excess development charges of ₹ 130.38 million for the period 2015 to 2018 by levying development charges at the rate of 8 % instead of 4%. KRC Infra further requested that PMC should adjust the aforesaid amount against the excess amount paid by KRC Infra earlier and that KRC Infra is making the payment of ₹ 52.19 million as per challan under protest and PMC is requested to ensure that the excess amount of ₹ 130.38 million be returned to KRC Infra at the earliest or the said excess amount be adjusted against development charges payable on the next sanction. Thereafter, on April 13, 2022, KRC Infra filed an appeal under section. 124 – G of the Maharashtra Regional and Town Planning Act, 1966 ("**MRTTP Act**") before the Principal Secretary, Urban Development Department, State of Maharashtra. In response to the said appeal, vide letter dated April 28, 2022, Urban Development Department has requested/directed Director, Town Planning, Govt of Maharashtra & the Commissioner, PMC to furnish their report on the said appeal. The matter is pending.
4. Gera Developments Private Limited and its licensed architect received a letter from the Executive Engineer, Building Development Department Zone No. 1, Pune Municipal Corporation ("**PMC**") stating that Saraswati Gaikwad (deceased) through her legal heir Sangita Gaikwad ("**Applicant**") has filed an application cum complaint ("**Application**") dated January 24, 2022 with PMC in relation to alleged unauthorized construction on the land bearing Survey No. 65/3, Village Kharadi, Taluka Haveli, Pune ("**Land**"). By the Application, the Applicant allegedly claimed to be the owner, having an equal and undivided share in the Land and informed that no partition of the Land has taken place and that there is a suit pending before

the Civil Judge, Senior Division Pune with regard to the Land. Pursuant to the Application, the Applicant has requested PMC to stop the ongoing construction on the land and requested PMC not to issue occupation certificate (“OC”). In view thereof, PMC has requested Gera Developments Private Limited and its licensed architect to provide clarity regarding the allegations made by the Applicant. By reply dated February 7, 2022, Gera Developers inter alia stated that the land bearing S. No 65/3 admeasuring 2 hectares 15.6 ares was sold by late Punaji Hari Pathare as karta and manager of HUF for the benefit of and for legal necessity of the family members of HUF and accordingly possession was handed over to Gera Developers Private Limited, and that part Occupation Certificate has been issued, the layout and building plans have been sanctioned as per the rules and regulations of PMC.

5. KRC Infra has received a demand notice dated March 11, 2022, from the stamp duty and revenue authority in relation to alleged deficit payment of stamp duty aggregating to ₹ 1.1 million along with penalty with respect to lease deed dated 28th October 2020 (“**Lease Deed**”) entered into by KRC Infra, in its capacity as lessor with a lessee. KRC Infra has, by its letter dated March 24, 2022, replied to the said demand notice inter alia stating that the liability for stamp duty on the Lease Deed was that of the lessee.

(iii) Material civil/commercial litigation

1. Gigaplex, KRC Infra and MBPPL (“**KRC DISCOMs**”) had filed a petition dated December 16, 2021 before the Maharashtra Electricity Regulatory Commission, Mumbai (“**MERC**”) under Section 86 (1) (f) of the Electricity Act, 2003 (“**EA, 2003**”) seeking approval for additional power purchase cost incurred over the period from October 11, 2021 to October 31, 2021 on account of reasons beyond the control of the KRC DISCOMs. The MERC impleaded (i) M/s Kreate Energy India Pvt Ltd (“**KEIPL**”), (ii) Maharashtra State Load Despatch Centre; and (iii) Lloyds Metals and Energy Limited as Respondents in this matter. By an order dated November 8, 2022, the MERC partly allowed the petition, and directed KEIPL to pay ₹ 19.60 million to KRC DISCOMs within 15 days from the date of the order as compensation for increased power purchase expenses on account of illegal diversion of contracted power to third party. Further, the MERC directed the KRC DISCOMs to adjust such compensation amount in upcoming FAC computation as rebate in power purchase expenses. KEIPL filed an appeal (against the order in the Case No 1/MP of 2022 dated November 8, 2022 (“**Impugned Order**”) before the Appellate Tribunal for Electricity at New Delhi (“**APTEL**”) seeking stay on the Impugned Order dated November 8, 2022 (Appeal No. 428 of 2022). Hearing in the matter was held on 8th and 9th December 2022. By interim order dated December 22, 2022, APTEL granted stay of the Impugned Order under appeal, subject to fulfilment of the following conditions: (a) KEIPL shall, within three weeks from December 22, 2022, pay KRC DISCOMs ₹ 1.16 million; and (b) KEIPL shall in addition, within three weeks from December 22, 2022, furnish an unconditional bank guarantee from a Nationalised Bank in favour of the MERC, for an amount of ₹ 17.93 million and the bank guarantee, so furnished, shall be kept alive and in force during the pendency of the appeal and (c) the order further requires KEIPL to file an affidavit of compliance, of the aforesaid directions, with the Registry within four weeks from December 22, 2022. By an order dated January 17, 2023, the APTEL has recorded that a compliance affidavit had been filed by KEIPL in Appeal No. 428 of 2022, stating that the earlier order of the Tribunal, in IA No. 1951 of 2022 dated December 22, 2022 which required KEIPL to remit ₹ 1.16 million to the KRC DISCOMs and to furnish an unconditional bank guarantee in favour of MERC for a sum of ₹ 17.93 million has been complied with. The matter is pending before the APTEL.
2. Gigaplex, KRC Infra and MBPPL (“**KRC DISCOMs**”) had filed a petition before the MERC under Section 86 (1) f of the EA, 2003 against KEIPL for adjudication of dispute between KRC DISCOMs and KEIPL. KRC DISCOMs had entered into a power purchase agreement dated May 27, 2021 (PPA) with KEIPL for supply of power up to 14 MW, for the period from July 2021 to June 2022. However, KEIPL did not supply power to the KRC DISCOMs during the

period from April to June 2022. During this period KRC DISCOMs had to procure the power from the other available sources at market rates. This resulted into additional power purchase cost ₹ 101 million to be incurred by KRC DISCOMs on account of material breach of the PPA by KEIPL. Therefore, the KRC DISCOMs have filed this petition (Case No. 162 of 2022) before the MERC seeking compensation of the entire additional power purchase cost incurred by them for the period from April 2022 to June 2022 due to KEIPL's failure to supply power under PPA. The first hearing in this matter was held on November 11, 2022. As directed in the Order dated November 11, 2022, KEIPL has filed its reply and the KRC DISCOMs have filed their rejoinder to the reply of KEIPL. The matter is pending before the MERC.

Annexure - 9

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

The Square, Nagar Road,
Pune

Maharashtra, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

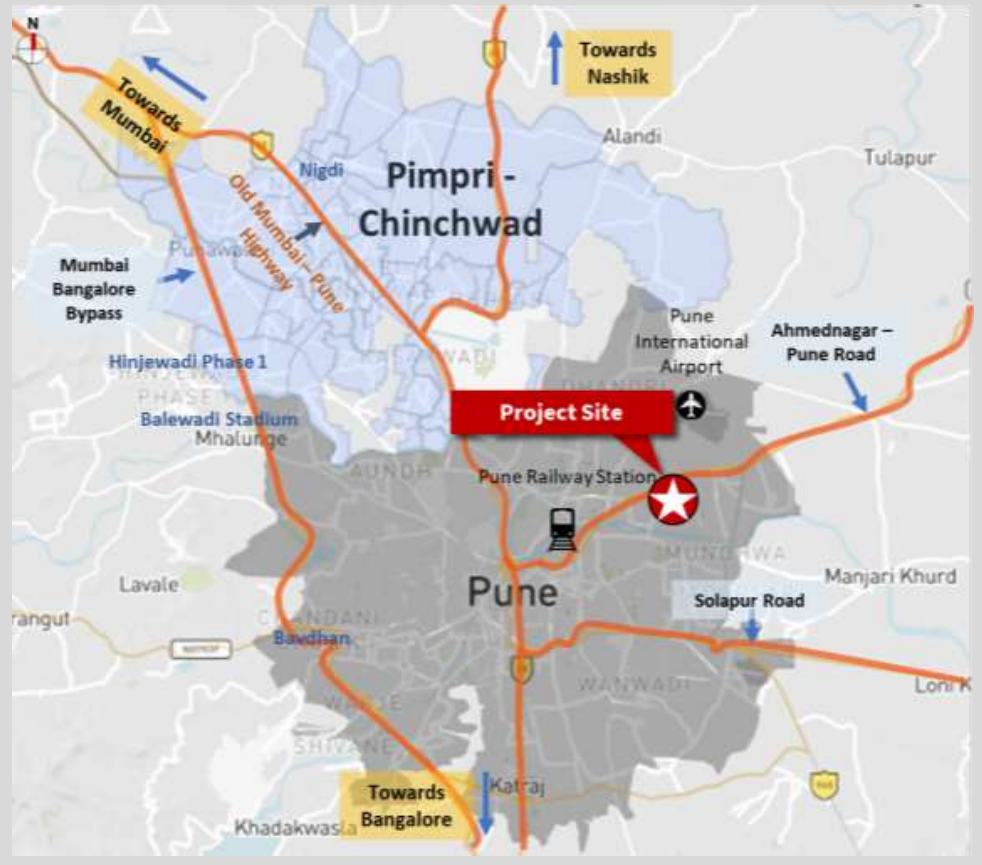
KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name	The Square, Nagar Road, Pune, Maharashtra, India															
Property Address	The Square Signature Business Chambers (Nagar Road), Kargil Vijay Nagar, Wadgaon Sheri, Pune, Maharashtra 411014															
Land Area	~10.1 acres															
Brief Description	<p>The property is located in the north-eastern part, in the Secondary Business District East micro market of Pune City along the Nagar Road. It is located at a distance of about 300 m from the Phoenix Market City.</p> <p>The property is developed as Grade A IT Park with two blocks 1) IT building and 2) a building which was Mall earlier later converted to Commercial office building, collectively comprising of 772,443 sq. ft of leasable area. The main entrance to the Project Site is from Nagar Road. Further, the IT building is also facilitated with a separate gate which is accessible from the lane connecting Nagar Road.</p> <p>The property is surrounded by mixed-use development comprising residential, retail, and commercial developments.</p>															
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table><tr><th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr><tr><td>1.</td><td>The Square – IT Building</td><td>187,020</td></tr><tr><td>2.</td><td>The Square – Commercial Building Completed</td><td>552,923</td></tr><tr><td>3.</td><td>The Square – Commercial Building Under Construction</td><td>32,500</td></tr><tr><td></td><td>Total Leasable Area</td><td>772,443</td></tr></table> <p>Based on the site inspection, IT Building and major area in the Commercial Building is fully completed and operational. A section of Commercial Building is under construction.</p>	Sl.	Building Name	Leasable Area (sq. ft.)	1.	The Square – IT Building	187,020	2.	The Square – Commercial Building Completed	552,923	3.	The Square – Commercial Building Under Construction	32,500		Total Leasable Area	772,443
Sl.	Building Name	Leasable Area (sq. ft.)														
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3.	The Square – Commercial Building Under Construction	32,500														
	Total Leasable Area	772,443														

Location Map



Key Assumptions

The table below summarizes key Valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office with Amenities
Current Status	IT Building – Completed and Operational Mall Building – Out of ~0.58 mn sq ft space ~0.55 mn is completed and operational and 0.03 mn sq ft is under construction which is expected to be completed by Sept-2023
Total Leasable Area	772,443 sq. ft.
Revenue Assumptions	
In-Place Rent	INR 74.2 per sq. ft. per Month
Market / Marginal Rent	INR 81.0 per sq. ft. per Month
Parking Rent	INR 2,250 per CPS per Month
Financial Assumptions	
Exit Cap Rate	8.00%
Discount Rate / WACC	For Completed Blocks – 11.75% For Under Construction Blocks – 13.00%

Market Value

Total Market Value (Completed - Operational and Under-Construction) –

INR 9,222.64 Million (INR Nine Billion Two Hundred Twenty-Two Million Six Hundred and Forty Thousand Only)

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LIST OF ABBREVIATIONS

CBD	Central Business District
CY	Current Year
INR	Indian National Rupees
IT/ITES	Information Technology/IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
Km	Kilo-metre
NH	National Highway
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft.	square feet

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project located named '**The Square**' located along, **Nagar Road Pune**, Maharashtra, India (hereinafter referred to as the 'Project'). The Project is an operational IT Park having leasable area of about 0.77 Mn sq. ft. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	The Square – IT Building	187,020
2.	The Square – Commercial Building Completed	552,923
3.	The Square – Commercial Building Under Construction	32,500
	Total Leasable Area	772,443

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal Institution of Chartered Surveyors ("RICS"), Fellow and Lifetime Member of Institute of Valuers, India ("IOV"), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER'S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 02 April 2023 by the Valuer in the presence of Client-nominated representative and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment

material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects., etc

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.

10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11.	Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12.	Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13.	Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14.	Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
3.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the Project Site under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational commercial / office space), the value is estimated using the 'Discounted Cash Flow method (basis term and rent reversion) under 'Income Approach'

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted an exit cap rate of 8.00% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

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 for under-construction / future development properties. The Valuer has considered a risk premium of 125bps, to derive the WACC of 13% for under-construction / future development properties.

These derived discount rates were found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	The Square, Nagar Road, Pune, Maharashtra, India																
Property Address	The Square Signature Business Chambers (Nagar Road), Kargil Vijay Nagar, Wadgaon Sheri, Pune, Maharashtra 411014																
Land Area	~10.1 acres																
Brief Description	<p>The property is located in the north-eastern part, in the Secondary Business District East micro market of Pune City along the Nagar Road. It is located at a distance of about 300 m from the Phoenix Market City.</p> <p>The property is developed as Grade A IT Park with two blocks 1) IT building and 2) a building which was Mall earlier or Mall building collectively comprising of 772,443 sq. ft of leasable area. The main entrance to the Project Site is from Nagar Road. Further, the IT building is also facilitated with a separate gate which is accessible from the lane connecting Nagar Road.</p> <p>The property is surrounded by mixed use development comprising residential, retail, and commercial developments.</p>																
Asset Details	<p>Leasable area details as shared by the Client is given below:</p> <table border="1"> <thead> <tr> <th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>The Square – IT Building</td><td>187,020</td></tr> <tr> <td>2.</td><td>The Square – Commercial Building Completed</td><td>552,923</td></tr> <tr> <td>3.</td><td>The Square – Commercial Building Under Construction</td><td>32,500</td></tr> <tr> <td></td><td>Total Leasable Area</td><td>772,443</td></tr> </tbody> </table> <p>Based on the site inspection, all blocks are operational. There are no under-construction buildings within the property.</p>		Sl.	Building Name	Leasable Area (sq. ft.)	1.	The Square – IT Building	187,020	2.	The Square – Commercial Building Completed	552,923	3.	The Square – Commercial Building Under Construction	32,500		Total Leasable Area	772,443
Sl.	Building Name	Leasable Area (sq. ft.)															
1.	The Square – IT Building	187,020															
2.	The Square – Commercial Building Completed	552,923															
3.	The Square – Commercial Building Under Construction	32,500															
	Total Leasable Area	772,443															
Valuation Methods	<p>The estimate of Market Value is prepared using following methods:</p> <table border="1"> <thead> <tr> <th>Sl - No.</th><th>Asset Type</th><th>Methodology Adopted</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Completed Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr> <tr> <td>2.</td><td>Under Construction Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr> </tbody> </table>		Sl - No.	Asset Type	Methodology Adopted	1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion	2.	Under Construction Assets	Discounted Cash Flow Method using Rent Reversion						
Sl - No.	Asset Type	Methodology Adopted															
1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion															
2.	Under Construction Assets	Discounted Cash Flow Method using Rent Reversion															
Nature of the Interest by the Client	100% freehold interest in the Project as informed by the Client																
Purchase Price of the Project	INR 7,058 million, as given by the Client																
Historical Valuation of the Project in 3 Previous Years	<p>Below table summarizes historical valuation of the Project as given by the Client:</p> <table border="1"> <thead> <tr> <th>Sl.</th><th>Date of Valuation</th><th>Total Market Value (INR Mn)</th></tr> </thead> <tbody> </tbody> </table>		Sl.	Date of Valuation	Total Market Value (INR Mn)												
Sl.	Date of Valuation	Total Market Value (INR Mn)															

	1.	30-Sep-2022	INR 9,078 (INR 8,557 Completed and INR 521 Under Construction)
	2.	31-Mar-2022	INR 9,043 (INR 8,595 Completed and INR 448 Under Construction)
	3.	30-Sep-2021	INR 8,694 (INR 8,261 Completed and INR 432 Under Construction)
	4.	31-Mar-2021	INR 8,468 (INR 8,115 Completed and INR 354 Under Construction)
	5.	30-Sep-2020	INR 8,092 (only completed)
	6.	31-Mar-2020	INR 8,094 (only completed)
Ready Reckoner Rate	Built-up Area (Office) – INR 101,780 per sq mt Land Area – INR 26,920 per sq mt		
Date of Valuation	31-Mar-2023		
Date of Inspection	02-Apr-2023		
Market Value as on 31-Mar-2023	For Completed Part – INR 8,890.73 Mn (INR Eight Billion Eight Hundred Ninety Million Seven Hundred and Thirty Thousand Only) For Under Construction Part – INR 331.91 Mn (INR Three Hundred Thirty-One Million Nine Hundred and Ten Thousand Only) Total Value – INR 9,222.64 Mn (INR Nine Billion Two Hundred Twenty-Two Million Six Hundred and Ten Thousand Only)		
Matters Affecting the Property and its Value	Please refer to Chapter 7 of this Valuation Report		
Assumptions, Disclaimers, Limitations and Qualifications	This Valuation Report is provided subject to assumptions, disclaimers, limitations, and qualifications detailed throughout this report, which are made in conjunction with those included within the Assumptions, Limitations & Qualifications section located within this report. Reliance on this report and extension of Valuer's liability is conditional upon the reader's acknowledgement and understanding of these statements. This Valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party, who may use or rely on the whole or any part of the content of this Valuation Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Project		
Prepared by	KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164) Represented through its Director Mr. Sachin Gulaty FRICS FIV FIIA IBBI/RV/02/2021/14284		



Name: Sachin Gulaty FRICS FIV FIIA

Designation: Director

Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

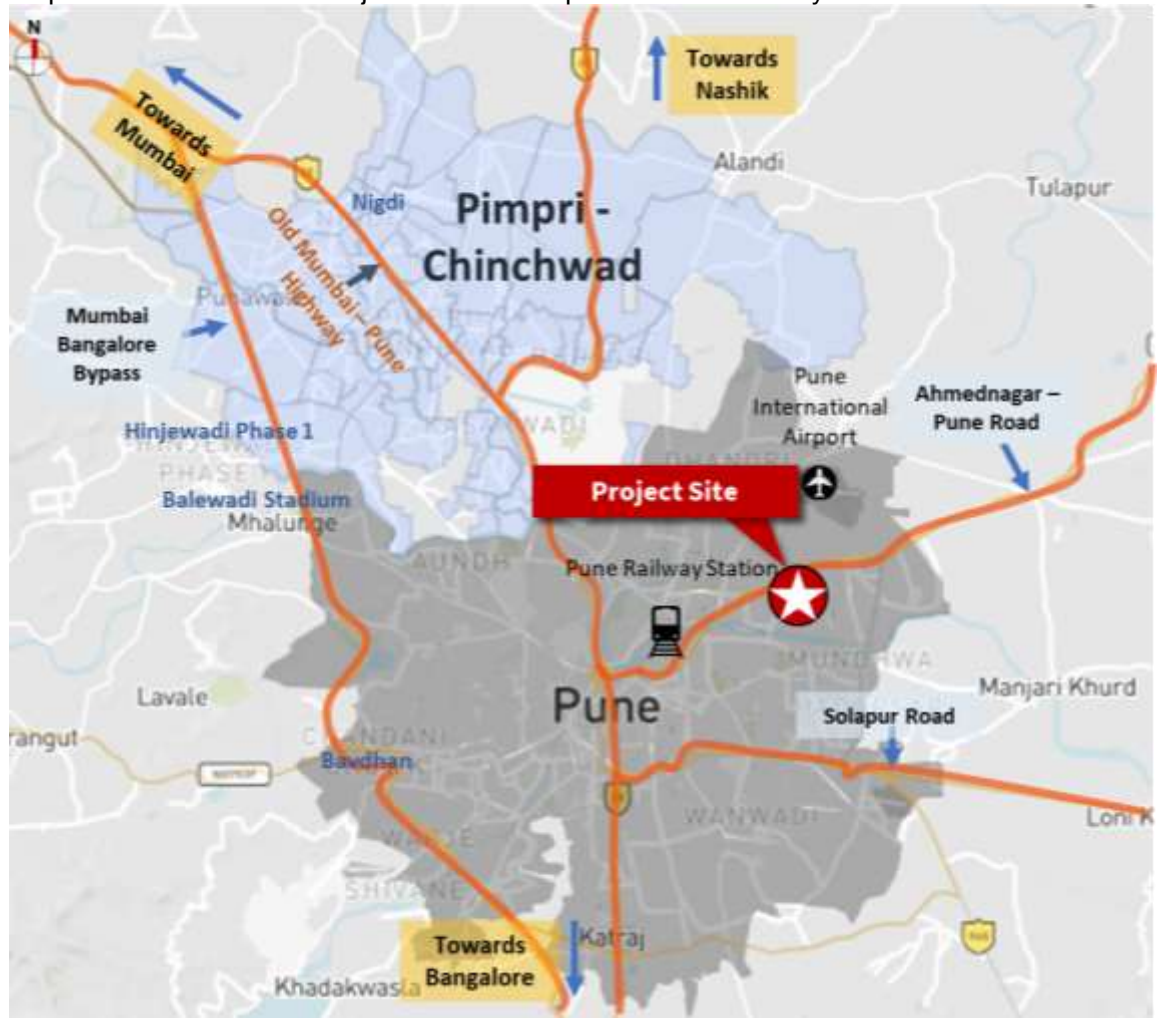
Table 5.1: Details of the Project Site and/or Project

DETAILS OF PROPERTY		
Property Name	The Square, Nagar Road, Pune, Maharashtra, India	
Property Address	The Square Signature Business Chambers (Nagar Road), Kargil Vijay Nagar, Wadgaon Sheri, Pune, Maharashtra 411014	
Land Area	10.1 acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sl.	Building Name
		Leasable Area (sq. ft.)
	1.	The Square – IT Building
	2.	The Square – Commercial Building
	3.	The Square – Commercial Building Under Construction
		Total Leasable Area
		187,020
		552,923
		32,500
		772,443
	Based on the site inspection, all blocks are operational. There is one building under-construction within the property.	
Access	Accessible through approx. 60 m. wide Nagar Road	
Frontage	Approximately 100 m. frontage along Nagar Road	
Shape and Visibility	Regular in shape. Relatively flat terrain. Excellent visibility from Nagar Road	
Approval Status	Project has requisite approvals in place as confirmed by the Client.	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The Project is located in the north-eastern part, Secondary Business District (SBD) East micro market of the city along the Nagar Road. It is located at a distance of about 300 m from the Phoenix Market City. The map in the following page presents the location of the Project with respect to the city.

Map 5.1: Location of the Project Site with respect to the Pune City



Source: Real Estate Market Research & Analysis; JLL, March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5.2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Pune Railway Station	7.3
Pune International Airport	4.4
Phoenix Market city	0.3
Shivaji Nagar	11.0
Pune University	12.0

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as commercial / office space along Nagar Road. The Project is surrounded by mixed use development comprising residential, retail, and commercial asset classes. The Project is spread across 10.1 acres of land. The Project has good frontage along the access road and has a relatively flat topography with no significant variations in the height of the land and has 2 entrances. The map in the following page presents location of the Project and its surroundings.

Map 5.2: Location of Project and its Surrounding Developments

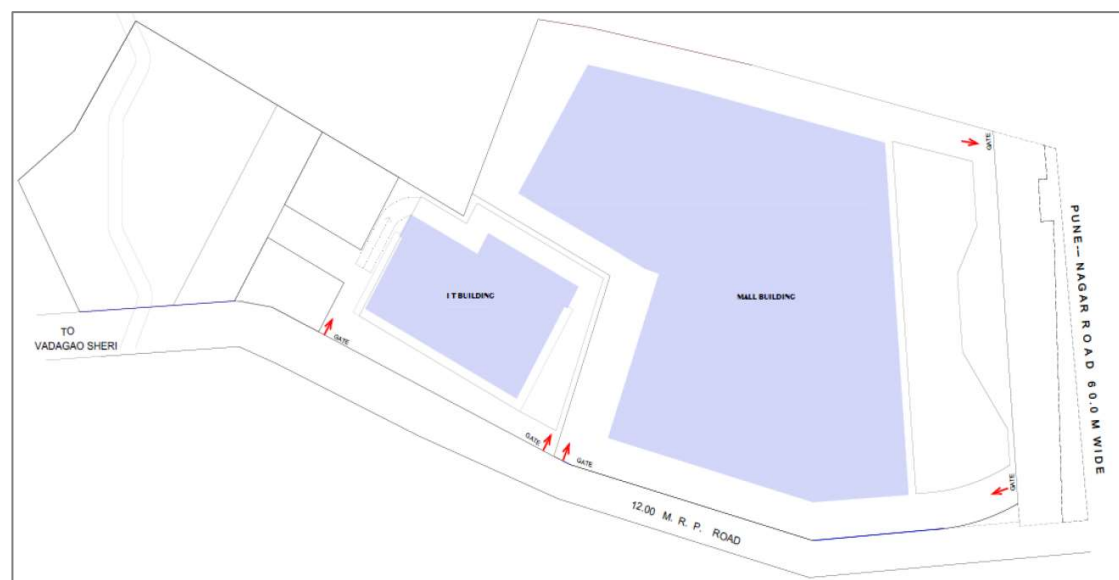


Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project has good accessibility due to its location along the Nagar Road. Upcoming Metro Aqua Line and BRTS Corridor will enhance the connectivity of Project with other parts of the city and travel time in the future.

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, March 2023

The table below presents the boundary/edge conditions of the Project Site.

Table 5.3: Project Site and its Site Boundaries

North	Nagar Road
South	Residential Development
West	Commercial & Residential Development
East	Internal Road

Source: Real Estate Market Research & Analysis; JLL, March 2023

The Project is predominantly surrounded by commercial, residential and hospitality developments in the vicinity. Grade A commercial / office developments and premium residential developments are also present in the micro-market.

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 772,443 sq. ft. spread across 1IT Buildings and 1 Commercial Buildings. IT Building and a major part of Commercial Building is completed and smaller part of Commercial Building i.e. 0.03 Mn sq ft area is under construction. The entire project is non-SEZ. The table in the following page presents details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	The Square – IT Building	187,020
2.	The Square – Commercial Building Completed	552,923
3.	The Square – Commercial Building Under Construction	32,500
	Total Leasable Area	772,443

Source: Client, March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Total Amenity Plot and the premises on which the Amenity Building is situated.
- Total utility areas and internal roads.
- Total open spaces.

The table below presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project – Completed Portion

Particulars	Description
Name of the Entity	Mindspace Business Parks Private Limited
Interest owned by Mindspace REIT	Project is wholly owned by Mindspace Business Parks Private Limited which is 100% owned and controlled by the Mindspace REIT ^{1/}
Land Extent	~10.1 acres
Asset Type	IT Park (Non-SEZ buildings)
Sub-Market	SBD East
Approved and Existing Usage	Commercial Building - Office IT Building - IT

Particulars	Description
Committed Occupancy ^{4/}	100.0%
Number of Tenants	01 No

^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 0.77 Mn sq. ft.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupier

5.5 PROJECT INSPECTION

The Project is part of a larger campus having total leasable area of 772,443 sq. ft. spread across One IT Building and One Commercial Buildings. One building is completed & operational and the other is partly completed. They are non-SEZ buildings. The Project was inspected by the Valuer on 02 April 2023.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance within the operational buildings. The utility areas also appeared well maintained, visually. No instances of any major logging or water accumulation were observed during the inspections. The inspections 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 is based completely on visual survey.

Some of the photographs of the Project and surroundings are given below



	
View of Services	View of Parking
	
View of under construction area in Commercial Building	View of under construction area in Commercial Building
	
View of common areas	View of common areas
	
View of Internal areas	View of Internal areas

5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The area details and age of structure and type of building is summarized in table below: -

Table 5.6: Area Details and Age of Structure

Sr No.	Building Name	Leasable Area (In Sq. Ft.)	Usage Type	Status	Age of Building
1	The Square – IT Building	187,019.58	Non – SEZ IT	Completed	~6 years 5 months
2	The Square – Commercial Building	552,923.00	Non – SEZ Commercial	Completed	~5 years 5 months
3	The Square – Commercial Building (under Construction)	32,500.00	Non – SEZ Commercial	Under Construction	Under Construction

Developable Area of the Project

The total site area of the project is ~10.1 Acres with total leasable area of 0.77 Mn sq ft under 2 Buildings (1 IT Building and 1 Commercial Building)

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings. Only some of the lifts in commercial building are gone under maintenance.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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. Pune where the Project is located falls in Seismic Zone III with moderate risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

The Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low risk of flooding and perennial water logging.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer (which are specified in Annexure 7), relating to the Project or any compounding charges..

5.7 TENANCY ANALYSIS

Tenant Profile of Top Tenants for Completed Project

As on 31st March 2023, Project Site has 3 tenants (for office space) which include companies like Fiserv India Pvt Ltd, Amazon and ADP Pvt. Ltd.

The top Tenants as per Leasable areas is listed below: -

Table 5.7: Tenants arranged as per Leasable areas*

Sr No.	Tenant	Leasable Area
1	Fiserv India Private Limited	333,021
2	ADP Private Limited	219,902
3	Amazon	187,020
	Total	739,943

* Includes contracted areas for which rent may start at a future date

The top Tenants as per Gross Rents are listed below: -

Table 5.8: Tenants arranged as per Gross Rentals*

Sr No.	Tenant	Share of Gross Rentals
1	Fiserv India Pvt Ltd	42.0%
2	ADP Pvt Ltd	36.0%
3	Amazon	22.0%
	TOTAL	100.0%

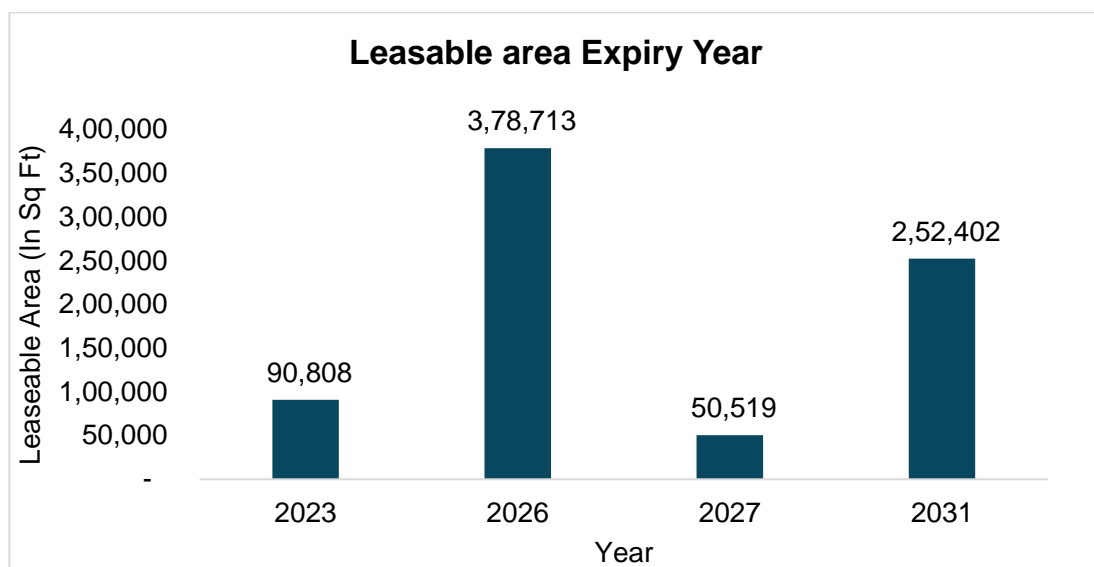
* Includes contracted areas for which rent may start at a future date

Tenant Profile of Top Tenants for Under-Construction Project

As on 31st March 2023, ADP has committed to occupy 252,402 sq.ft of leasable area in the project. Of this total committed area 219,902 sq.ft of leasable area is part of the completed portion of the commercial block as indicative in the above table. Further, they have pre-committed to lease apart (32,500 sq.ft) of currently under-construction portion of the commercial block (erstwhile Multiplex area).

Lease Expiry Analysis

The WALE of the property is 4.6 years, with ~67.0% of occupied area expiring between CY 2023 and CY 2026 as shown in the chart below:

**Escalation Analysis**

The leases of the Project Site have typically seen rental escalation of 5.0% every year or 15.0% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Pune is popularly known as the 'Queen of Deccan India' which has ranked within the top 20 cities globally in JLL's City Momentum Index (CMI) since 2017. Pune has now been declared as the largest city in the state of Maharashtra in terms of geographical area coverage. The city has been a major educational hub since many decades having a presence of premium educational institutes in the country. Pune is also an important industrial hub having a presence of prominent foreign as well as domestic automobile, automobile ancillaries and electronics manufacturers. Attractive demographics and readily available skilled workforce have attracted corporates from various sectors like IT/ITeS, manufacturing, BFSI, consulting etc. to have their set-up in the city. Other drivers like proximity to Mumbai, good connectivity through air, rail and roads, flow of Foreign Direct Investments (FDIs) have been instrumental in its growth. The city was also ranked among the best Indian cities (along with Hyderabad) in Mercer's 21st annual Quality of Living Rankings in 2019. All the above factors, in addition to large-scale urban infrastructure upgrade currently underway in Pune, have made it one of the most attractive real estate investment hubs in the state of Maharashtra after Mumbai.

6.3 INFRASTRUCTURE INITIATIVES

Pune is currently undergoing three major infrastructure development projects. Pune Metropolitan Region Development Authority (PMRDA), Maharashtra Metro Rail Corporation Limited (MMRC), Pune Municipal Corporation (PMC), Maharashtra State Road Development Corporation (MSRDC) and City and Industrial Development Corporation of Maharashtra (CIDCO) are involved in the development of Pune Metro Line 3, Pune Metro Line 1 and 2, Pune Ring Road and New International Airport at Purandar, respectively. Another infrastructure project – Mula Mutha Rejuvenation Project, has been passed for execution in the central part of the city.

Existing infrastructure

Table 6.1 Existing Infrastructure in the City

Existing Project	Completion timeline	Details	Key impact zones
Pune International Airport	2004-05	It is a Military as well as Public airport owned by the Indian Airforce and operated by AAI.	Viman nagar, Yerawada, Kalyani nagar, Kharadi
Pune Junction	Opened: 1858, Rebuilt: 1925	One of the major junctions in Maharashtra connecting Pune to all the major cities of India.	Bund garden road, Camp, Koregaon park
Swargate bus depot	1976	Contains inter-city and intra-city transportation facilities.	Core Pune area / Peth areas
Pune - Mumbai expressway	2002	India's first 6-lane wide concrete, access-controlled tolled expressway. Distance – 94.5 km;	Bavdhan. Pashan, Baner, Balewadi, Hinjewadi, Wakad

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Upcoming Infrastructure

Pune Ring Road - The proposed Pune Ring Road will be developed as an eight-lane expressway with total length of 173 km. Vehicles travelling to areas like Saswad, Nashik, Ahmednagar, Konkan, and Mumbai pass through the city, thus, causing traffic congestion and air and noise pollution. The Ring Road would significantly reduce the travel time and distance. The proposed Ring Road would be developed through a Public-Private Partnership (PPP) and will be developed in 4 parts - the first package will comprise of 29.8 km stretch, second package will comprise of 36.7 km stretch, third package will comprise of 38.3 km stretch, whereas the fourth package will comprise of 68.8 km stretch. Of the 1,900 hectares of land required for the project, 1,740 hectares is private land that must be acquired from 83 villages. A total of INR 1,500 crore has been allocated for land acquisitions, out of which INR 250 crore has been disbursed. Pune Ring Road has got a completion timeline of 2026 from the authorities.

Proposed International Airport - New terminal with a total development size of 40,000 sq. m near the existing Pune International Airport in Lohegaon, is named as Aero mall and has got operational in November 2022. It will cater to the increasing retail and F&B demand of air travellers. The proposed new international airport, Chhatrapati Sambhaji Raje Airport, was supposed to be constructed in Purandar Taluka. However, the Ministry of Defence has cancelled the No Objection Certificate it had issued in August 2021 to the proposed site of the Pune International Airport. So currently, the project has been put on hold.

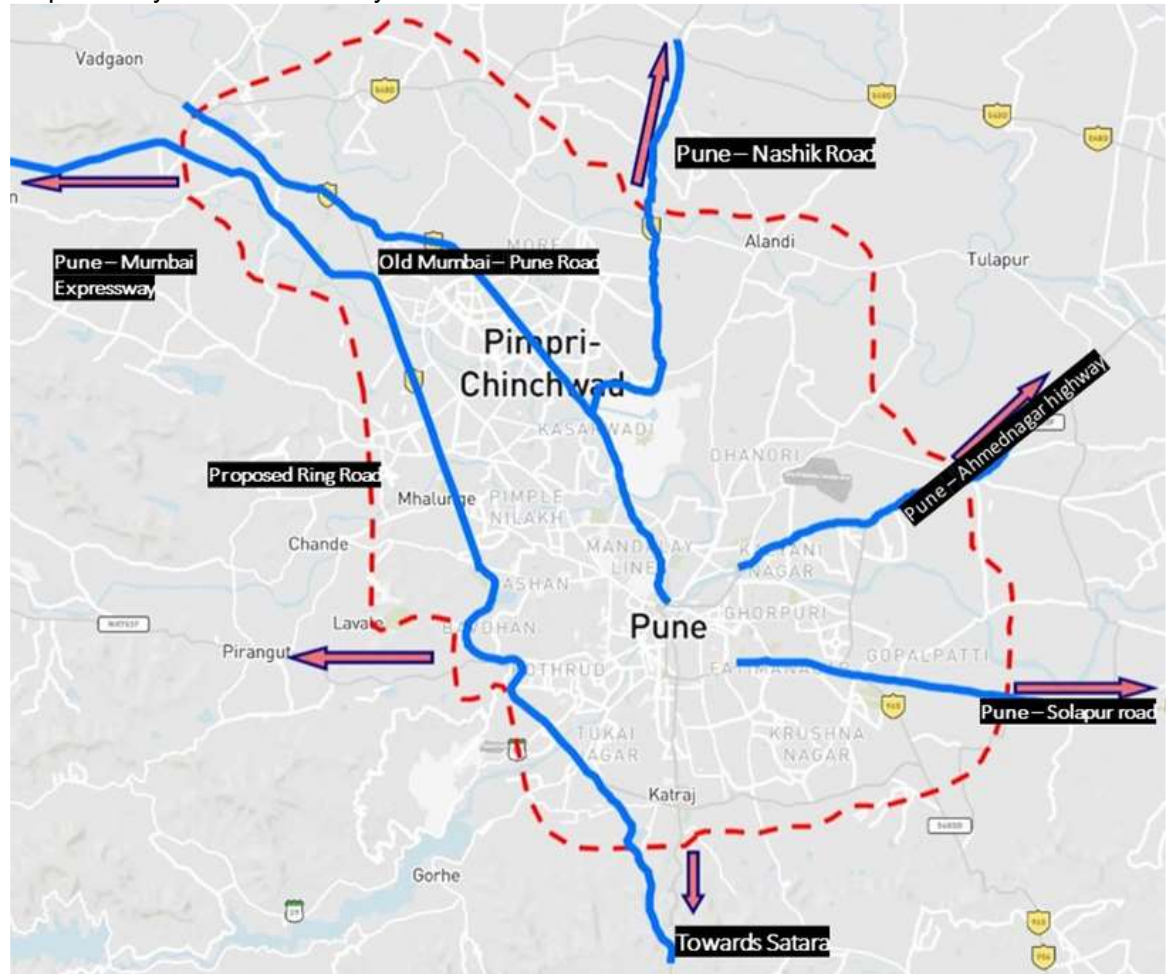
Mula Mutha Rejuvenation Project - Another infrastructure project namely Mula Mutha Rejuvenation Project, has been proposed for development. The rejuvenation project, modelled on the Sabarmati riverfront in Ahmedabad includes the development of 44 km of river stretch, including 22.2 km of Mula river, 10.4 km of Mutha river and 11.8 km of Mula-Mutha river. PMC has decided to include beautification of the 8-km stretch from Bangalore-Mumbai Bypass to Aundh Bridge as a priority stretch, along with 5.3-km stretch from Yerawada to Mundhwa Bridge and 3.7-km stretch from Sangam to Bund Garden.

Table 6.2 Upcoming Infrastructure in the City

Upcoming Project	Completion timeline	Details	Key Impact Zones
Pune Ring Road	Dec 2025	Eight-lane expressway with total length of 173 km. Land acquisition work is under progress. It would be developed using a PPP model in 4 parts.	Talegaon Dabhade, Hinjewadi, Mahalunge, Sus, Lavale, Bhugaon, Bavdhan, Warje, Shivane, Dhayari, Kondhwa, Loni Kalbhor, Manjari, Wagholi, Alandi, Chakan
Chhatrapati Sambhaji Raje Airport, Purandar	On hold	It was supposed to be constructed in Purandar Taluka. Ministry of Defence has cancelled the No Objection Certificate it had issued in August 2021 to the proposed new site of the Pune International Airport	NA
Mula Mutha Rejuvenation Project	NA	Development of 44 km of river stretch, including 22.2 km of Mula river, 10.4 km of Mutha river and 11.8 km of Mula-Mutha river.	Sangamwadi, Bund Garden, Koregaon Park, Mundhwa, Kalyani nagar, Wadgaon sheri, Kharadi, Shivaji nagar, J.M Road, Deccan

Pune – Key roads in the city

Map 6.1 Key Roads in the City



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Existing Metro Rail Lines

Pune Metro Lines - Pune Metro Rail has three lines under construction with a total coverage of 54.58 km. Line 1 runs from the PCMC Building to Swargate and Line 2 runs from Vanaz to Ramwadi. Both these lines are being implemented by MahaMetro and the central government with a 50:50 joint venture. Two priority stretches namely Vanaz to Garware college (5 km) on Line 2 or the Aqua line and PCMC bhavan to Phugewadi (7 km) on Line 1 or the Purple line have become operational from March 6, 2022, onwards. Line 3 which runs from Megapolis circle in Hinjewadi Phase 3 to Shivajinagar, is being constructed by PMRDA and Tata Siemens on a 50:50 joint venture. The construction work on the Hinjewadi to Shivajinagar route (line 3) has been started which has a completion timeline of 2026. The proposed extension of Pune metro Line 1 from Swargate till Katraj which will be completely underground has been approved by the civic body and is expected to be operational till 2027. In addition to this, PMRDA has decided to extend Hinjewadi to the Shivajinagar route (Line 3) to Loni Kalbhor, while Mahametro has proposed a 28 km route from Khadakwasla to Kharadi.

Upcoming Metro Rail Lines

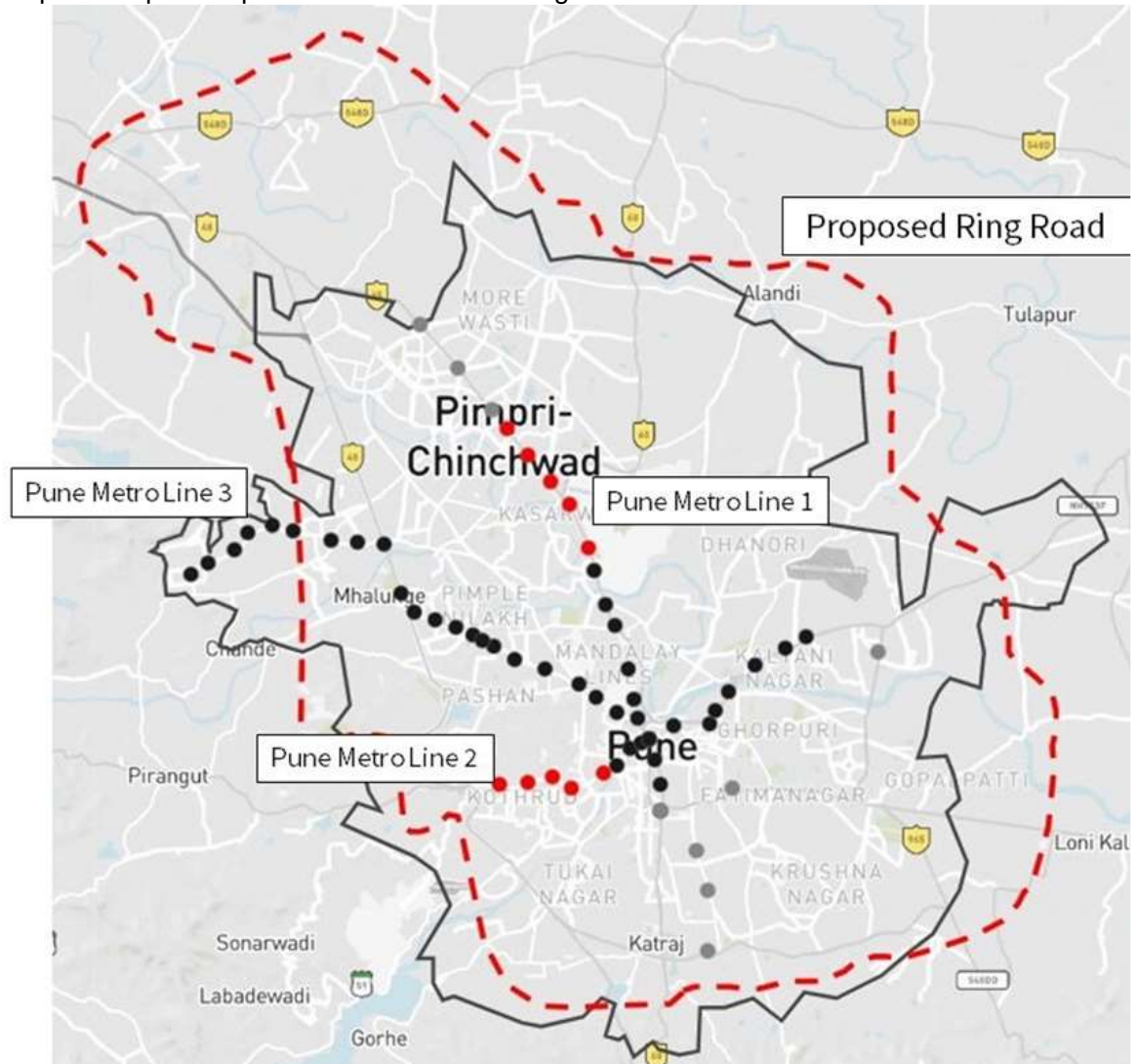
Table 6.3 Upcoming Metro in the City

Upcoming Project	Completion timeline	Details	Key impact zones
Pune Metro Line 1 or Purple line	5 km stretch from PCMC Bhavan to Phugewadi operational – March 2022; Complete line – 2023.	Will run from PCMC Bhavan to Swargate; Total length – 16.6 km; No. of stations – 14 out of which 9 stations are elevated and 5 stations are underground. Proposed extension – Swargate to Katraj and PCMC Bhavan to Nigdi.	Pimpri, Chinchwad, Kasarwadi, Pimple Gurav, Sanghvi, Khadki, Range Hills, Shivajinagar, Peth areas (Old Pune)
Pune Metro Line 2 or Aqua line	5 km stretch from Vanaz to Garware college Operational – March 2022; Complete line – 2023	Will run from Vanaz to Ramwadi; Total length – 14.7 km; No. of stations – 16 (all elevated) Proposed extension – Ramwadi to Wagholi	Kothrud, Erandwane, Deccan Gymkhana, J.M Road, PMC Bhavan, Pune Junction, Bund Garden Road, Yerwada, Kalyani nagar, Viman nagar, Kharadi
Pune Metro Line 3	2026	Will run from Megapolis circle in Hinjewadi Phase 3 to Civil court in Shivajinagar. Total length – 23.3 km; No of stations – 23 (all elevated)	Hinjewadi Phase 1,2,3, Wakad, Balewadi, Mahalunge, Baner, Aundh, Pune university, Ganeshkhind road, Shivajinagar.

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Pune - Map of upcoming metro lines and proposed ring road

Map 6.2 Map of Proposed Metro Line and Ring Roads



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

6.4 PUNE - OFFICE SUB MARKETS

The office sub-markets of Pune City are classified into six micro markets based on the market trend as mentioned below.

Table 6.4 Pune Commercial Micro-markets

Submarket	Locations	Map of Pune office market
CBD	Camp, Station Road, Raja Bahadur Mills Road, Dhole Patil Road, Bund Garden Road, Sangamwadi, Koregaon Park, Fergusson College Road, Ganesh Khind Road, Senapati Bapat Road, Shivaji Nagar, Wakdewadi, Shankar Seth Road	
SBD East	Airport Road, Jail Road, Yerawada, Nagar Road, Viman nagar, Kalyani Nagar, Kharadi, Hadapsar	
SBD West	Aundh, Baner, Balewadi, Bavdhan, Nanded Phata, Kothrud, Erandwane, Warje	
Suburbs East	Fursungi, Wagholi	
Suburbs West	Hinjewadi, Pimple Saudagar, Pimpri, Chinchwad, Bhosari.	

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Leasing Activity

City Market Trends

Table 6.5 City Market Trends

Micro Market	Total Stock (mn sq ft)	Net Absorption (mn sq ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
CBD	6.8	- 0.03	-160%	-105%	6.2%	+40 bps	- 60 bps
SBD East	41.8	0.98	202%	1%	7.7%	+180 bps	- 20 bps
SBD West	10.5	0.35	100%	-40%	5.1%	-330 bps	-950 bps
Suburbs East	1.9	-	0%	0%	18.3 %	0 bps	+1380 bps
Suburbs West	15.0	0.22	41%	1%	18.7 %	- 60 bps	+210 bps

Pune Office Market witnessed a rise in demand in Q1 2023 over the previous quarter, however, the demand slowed down compared to same period last year. The overall net absorption recorded in Q1 2023 was 1.53 mn sq ft, up by 219% q-o-q and down by 33% y-o-y. The net absorption comprised of commitments, pre-commitments in the completed projects during the quarter and exits. The increase in the net absorption over the previous quarter was due to a better leasing activity along with a good pre-commitment level in the newly completed buildings. Pre-leasing in the upcoming projects was down in Q1 2023, compared to Q4 2022. Pre-leasing of 119,360 sq ft was recorded in this quarter.

A healthy quantum of space renewals of around 1.1 mn sq ft was witnessed during the quarter apart from the net absorption, majority of which took place in the SBD East sub-market.

In the gross leasing activity of Q1 2023, Manufacturing/Industrial segment has the highest occupier share of 26%, followed by IT/ITeS and Telecom, Healthcare-Biotech, Real Estate & Construction industries segments with occupier shares of 23% and 19% respectively. E-commerce segment was inactive in leasing space during the quarter. The occupier share of IT & ITeS segment has significantly declined over the years, and mainly during the pandemic, whereas the share of co-working operators in the leasing activity has increased. This is because the corporates especially in the IT & ITeS segment require a more flexible work set-up in times of uncertainty which is hassle free. Therefore, they opt for a managed co-working space over conventional office spaces. Co-working operators like Table Space, Smartworks, WeWork, Indigube etc. are the key players in the Pune office market.



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Out of the total net absorption in Q1 2023, SBD East has recorded the highest net absorption of around 0.98 mn sq ft followed by SBD West with a net absorption of 0.35 mn sq ft and Suburbs West with a net absorption of 0.22 mn sq ft. Net absorption in CBD sub-market have declined over the quarter as well as over the same period last year as it has witnessed a negative net absorption. Suburbs East which comprises of only one office project namely SP InfoCity did not witness any leasing activity in the quarter. The key transactions that took place in Q1 2023 were Roche Pharma leased 192,000 sq ft in 45ICON in Baner, TIBCO leased 108,040 sq ft space in Binarius in Yerawada and Panasonic leased 127,000 sq ft space in CapitalLand Nalanda in Hinjewadi.

Vacancy

The overall vacancy in Pune's Office Market in Q1 2023, settled at 9.6%, up by 20 bps q-o-q from 9.4% in Q4 2022, whereas down by 70 bps y-o-y from 10.4% in Q1 2022. The increase in vacancy rate in Q1 2023, q-o-q was due to the new supply addition in the city. CBD sub-market has a vacancy rate of 6.2%, up by 40 bps q-o-q, mainly due to low leasing activity and comparatively higher space surrenders. SBD West shows the lowest vacancy rate of 5.1%, down by 330 bps q-o-q as there has been no new supply addition in the sub-market for the last four quarters and due to the leasing activity. SBD East sub-market has a vacancy rate of 7.7%, up by 180 bps q-o-q. While the new supply entered the submarket with healthy pre-commitments, the increase in available space through some exits contributed towards the q-o-q rise in vacancy levels, despite the healthy leasing activity in the sub-market. Suburbs West sub-market has the highest vacancy rate of 18.7%, which has increased by 210 bps y-o-y from 16.6% in Q1 2022 as the sub-market witnessed a strong supply of 2.8 mn sq ft in 2022, with low occupancy levels.

Submarket Rents

The overall Gross Rents in the city settled at INR 77.8 per sq ft per month, showing a marginal increase of 0.6% q-o-q as well as an increase of 1.6% y-o-y. The CBD and Suburbs East sub-markets did not witness any change in the rental. The CBD sub-market has the highest rents in the city, closely followed by the SBD East sub-market, whereas Suburbs West sub-market has the lowest rentals in the city. The city witnessed a healthy rental growth every quarter till 2019, however, since 2020, the rents have largely remained stable with marginal growth every quarter.

New supply

The quarter witnessed completion of two new projects namely Gera Commerzone Building 5 in Kharadi and Panchshil Business Park Tower A and B in Viman Nagar, both in the SBD East sub-market, accounting to a new supply of 1.83 mn sq ft. Both the projects together had a pre-commitment level of 53% which contributed to the net absorption during the quarter. However, there was a withdrawal of 0.88 mn sq ft worth projects which were downgraded to Grade B. Thus, the net increase in the total stock was 0.95 mn sq ft. The new supply is entering the city's office market in a slow and steady pace as the pre-commitment levels are low.

Outlook

Pune expects a new supply of 18.1 mn sq ft to enter the office market from Q2 2023 till the end of 2025. Out of the total new supply expected to be operational in this period, 65-70% is premium quality supply by prominent developers like Panchshil Realty, K Raheja corp, Brookfield, CapitaLand group, Prestige group, RMZ Corp and Godrej properties. SBD East sub-market accounts for the largest share of 56% of the total upcoming supply till 2025, whereas sub-markets like Suburbs West, SBD West and CBD foresee a similar supply in the range of 2-3 mn sq ft by the end of 2025.

Some of the key completions include Bluegrass Business Park Tower A, Commerzone Kharadi Building 1 and 4, ITPP Kharadi Block 2, Panchshil Business Hub (S.no 40), Prestige Alphatech, EON West Phase 1 and RMZ The Edge 10. The demand is expected to grow at a slow pace in 2023, as the corporates have paused their expansion plans due to the global economic slowdown. However, it is expected to pick up pace in 2024-25. Due to good quality supply and growth in demand, rents expect a good growth by the end of 2025.

6.5 MICRO MARKET : SECONDARY BUSINESS DISTRICT EAST

The Square, Nagar Road project lies in the Secondary Business District East.

Supply, Demand Trend

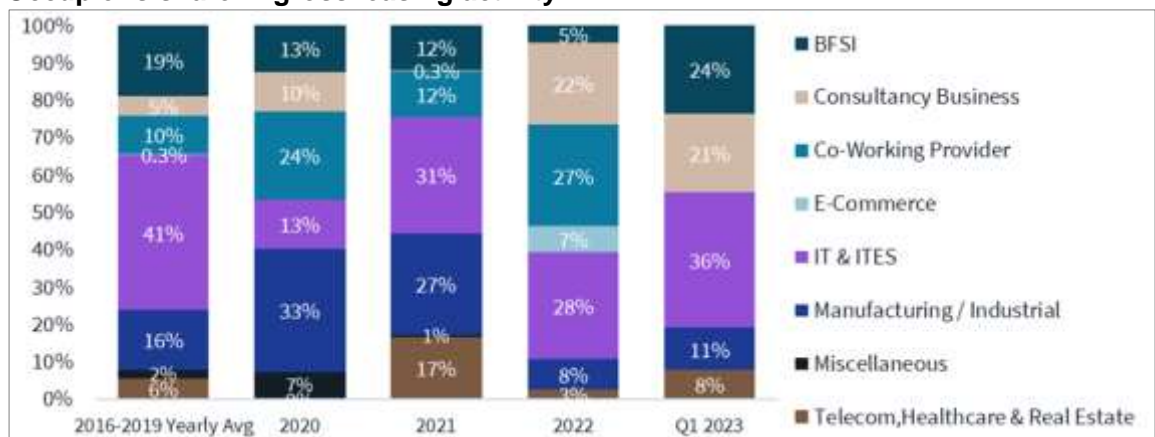
Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

SBD East comprises of key micro-markets like Yerawada, Kalyani Nagar, Viman Nagar, Kharadi and Hadapsar. It has absorbed around 64% of the total net absorption in the city in the first quarter of 2023. It recorded a net absorption of 0.98 mn sq ft in Q1 2023, which was up by 202% q-o-q as well as 1% y-o-y. The net absorption comprised of commitments, pre-commitments in the completed buildings and exits. In the gross leasing activity of SBD East in Q1 2023, IT&ITeS segment has the highest occupier share of 36% followed by BFSI and consulting business segments with occupier share of 24% and 21% respectively. Some of the key space take-ups in the SBD East sub-market include TIBCO leasing 108,040 sq ft in Yerawada, Bajaj leasing 100,000 sq ft in Phoenix Fountain head Tower 3 in Viman nagar, Deloitte leasing 80,000 sq ft ITPP Kharadi and Apex Fund leasing 61,000 sq ft Panchshil Business Park in Viman nagar.

Supply

The entire new supply that entered the Pune Office market in Q1 2023 was witnessed in the SBD East sub-market. Projects like Gera Commerzone Bldg 5 in Kharadi and Panchshil Business Park in Viman nagar got completed during the quarter, adding a new supply of 1.83 mn sq ft. However, there was a withdrawal of 0.05 mn sq ft worth project which was downgraded to Grade B. Thus, the net increase in the total stock of SBD East sub-market was 1.78 mn sq ft.

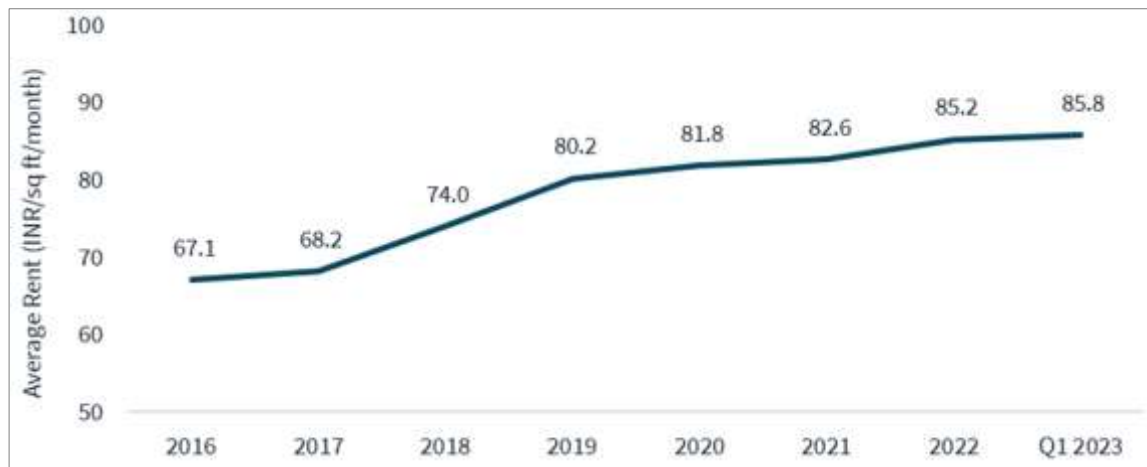
Vacancy

Vacancy in Q1 2023 in the SBD East sub-market settled at 7.7%, up by 180 bps from 5.9% in Q4 2022, due to the new supply in the sub-market.

Rents

It is observed the rental values for commercial / office space in the immediate surroundings in the micro market varies between INR 75 – 90 per sq. ft. per month as per the leases transacted during the year 2022. The asking instances are upwards at INR 85 - 100 per sq. ft. per month. The CAGR of rental growth is recorded at 3.1% in last 6 years (2017-2022).

The Gross Rents in SBD East sub-market settled at INR 85.8 per sq ft per month in Q1 2023. Prominent projects in the sub-market like Panchshil Business Bay and Panchshil Tech Park One in Yerawada command rents in the range of INR 120-130 and INR 110-120 per sq ft per month respectively. Eon Free Zone and World Trade Centre in Kharadi command rents in the range of INR 90-100 per sq ft per month. Similar projects like Commerzone Yerawada and Gera Commerzone Kharadi command rents in the range of INR 80-85 per sq ft per month.



Mindspace REIT micro markets, 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.

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market

Table 6.6: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Name of the Building	Name of the Occupier	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
1	International Tech Park Pune, Kharadi	Deloitte	Kharadi	77,969	78-80	Q3 2022

Sl. No.	Name of the Building	Name of the Occupier	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
2	International Tech Park Pune, Kharadi	Deloitte, Deloitte Financial Advisory Services India	Kharadi	77,969	79-82	Q4 2022
3	Eon Free Zone	Allscripts Healthcare Technologies India	Kharadi	35,820	77-79	Q4 2022
4	Panchshil Business Bay	HSBC	Yerwada	482,697	90-93	Q4 2022
6	Panchshil Business Bay	Deutsche India	Yerwada	398,857	91-93	Q4 2022
7	Eon Free Zone	Quadrant Knowledge Solutions	Kharadi	33,059	87-90	Q4 2022
8	Panchshil World Trade Centre	WeWork	Kharadi	29,475	95-98	Q2 2022
9	Tech Park One	Johnson Controls	Yerwada	70,562	106-109	Q4 2022
10	Binarius	Bristlecone India	Yerwada	37,500	85-88	Q4 2022
11	Binarius	Cotiviti India	Yerwada	42,662	89-92	Q4 2022
12	International Tech Park Pune, Kharadi	Tablespace	Kharadi	64,732	79-81	Q4 2022
13	International Tech Park Pune, Kharadi	MT Bidco Consulting Solutions	Kharadi	26,518	82-84	Q4 2022
14	International Tech Park Pune, Kharadi	315 Work Avenue Spaces	Kharadi	40,015	79-82	Q3 2022
15	International Tech Park Pune, Kharadi	NielsenIQ India	Kharadi	57,672	74-77	Q1 2022
18	Eon Free Zone	Eaton Technologies	Kharadi	84,028	70-73	Q3 2022
19	Vascon Almonte	EFC	Kharadi	30,030	85-87	Q3 2022
20	International Tech Park Pune, Kharadi	KPMG	Kharadi	53,230	76-79	Q3 2022
21	Panchshil World Trade Centre	HCL	Kharadi	40,790	91-94	Q3 2022
22	International Tech Park Pune, Kharadi	Petc Technology Solutions	Kharadi	121,137	74-77	Q2 2022
23	Tech Park One	Vatika Business Centres	Yerwada	32,395	92-95	Q2 2022
25	Eon Free Zone	L&T Infotech	Kharadi	37,900	102-104	Q1 2022
26	Tech Park One	Netcracker Technology Solutions India	Yerwada	42,091	142-145	Q1 2022
27	Blue Grass Business Park	Mastercard	Yerwada	356,238	86-89	Q1 2022
28	Panchshil World Trade Centre	WeWork	Kharadi	29,475	95-98	Q1 2022
30	Panchshil Business Bay	Mercer Consulting	Yerwada	26,007	139-142	Q1 2023
31	Panchshil Business Bay	Dws India	Yerwada	21,580	90-93	Q1 2023

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The lease transactions in the micro market are recorded in the range of INR 75 - 90 per sq. ft. per month. The lease transactions in Viman Nagar location where the Project is located are in the range of INR 80 to 90 per sq. ft per month. Market rent for Commerzone Project has been considered in line with the achievable market rent for completed buildings at INR 81 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc. The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6.7: List of transactions / deals in major cities recent past

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40,000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Info city	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Info city	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 – 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Project Site is **The Square IT Park** which is one of the known developments for IT/ITeS companies located in the Northeast Micro-Market at Viman Nagar in Pune City. The Project is a part of **Mindspace Business Parks REIT** (Mindspace REIT) portfolio. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A space spread across one IT Buildings and one Commercial Building. with good amenities and facilities. This project is a preferred commercial development in this micro-market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.00%.

Outlook

SBD East sub-market foresees a new supply of 10.2 mn sq ft from Q2 2023 to 2025, with a pre-commitment level of 10-15%. Around 56% of the total new supply in the city by the end of 2025 belongs to this sub-market. Key completions in this sub-market include Bluegrass Business Park Tower A, Commerzone Kharadi Building 1 and 4, ITPP Kharadi Block 2, Panchshil Business Hub (S.no 40) and Prestige Alphatech. With quality supply entering in the next three years and a good number of RFPs from the BFSI, IT/ITeS and manufacturing companies in the sub-market, demand is expected to see a better growth compared to other sub-markets. Rents, therefore, are also expected to grow by the end of 2025.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project has been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimate 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 lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent-free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

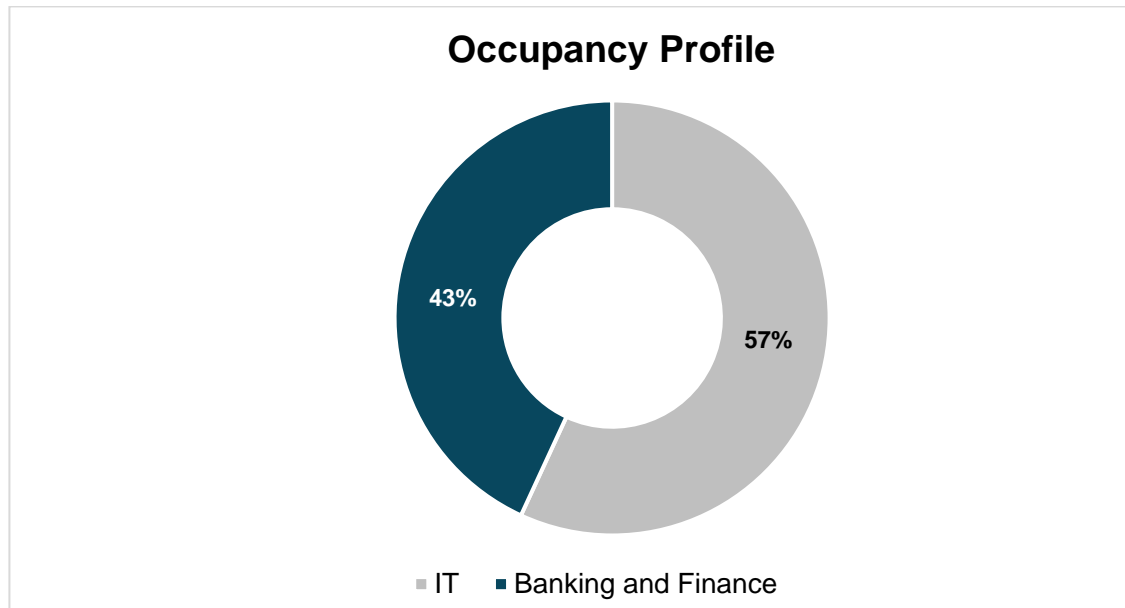
7.3 CONSTRUCTION TIMELINES

As mentioned earlier, the Project has approx. 0.77 Mn sq. ft. of area out of which 0.73 Mn sq. ft is fully completed and operational, for which approx. INR 157 Mn CAPEX is to be incurred for upgrade work which is expected to be incurred by Q2 FY24, and 0.03 Mn sq. ft under construction which is expected to be completed by Q1 FY24. For the under-construction project, approx. INR 113.7 Mn CAPEX is yet to be incurred which is expected to be incurred by Q3 FY24.

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows: -

- ~43.0% space is taken by Banking and Finance.
- ~57.0% of the space is taken by IT/ITeS



7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	739,943 Sq. ft	As per the information provided by the Client
Leased Area	739,943 Sq.ft	As per the information provided by the Client
Vacant Area / Vacancy	0.0%	As per the information provided by the Client
Vacancy Allowance	2.0%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	00 sq ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market
Rent Free Period for New Leases	3 months	As prevalent in the micro-market
Total No. of Car Parking Spaces	962 No.s	As per the information provided by the Client

Parameters	Assumptions / Inputs	Remarks / Basis
No. of Car Parking Spaces Leased	105 No.s	As per the information provided by the Client
Construction Related Assumptions		
Approx. construction Cost to be incurred (CAPEX)	157 Mn	CAPEX for Upgrade work, as informed by Client.
Estimated Completion Date (CAPEX)	Q2 FY24	As per the information provided by the Client.
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases i.e. 4.5% every years	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent - Office	INR 81.00 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 75 – 85 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 80 - 95 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market Rent - Car Parking Space	INR 2,250.00 per sq. ft. per month	The Grade A offices offers car parking rates in the range of INR 1,500 – 3,000 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the Project Site is derived.
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent - Kiosk	Not Applicable	
Market / Marginal Rent - Terrace	Not Applicable	
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups

Parameters	Assumptions / Inputs	Remarks / Basis
Market Rent Growth from FY 2024-25	5.0% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5.0% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76.0%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 17.3 per sq.ft per month	As given by the Client and as prevalent in the market
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 14.7 per sq.ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 3.76 per sq ft per month	As given by the Client
Insurance	INR 0.30 per sq ft per month	As given by the Client
Cost Escalation	3.0% per Annum	As prevalent in the market.
CAM Escalation	5.0% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1.0% of Terminal Value	As prevalent in the market
Other Operating Expenses	2.0% of Base Rent + Car Parking Charges	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the Net Cashflows of the 11 th year	Refer Section 3.2 of this report

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

Table 7.3: Key Assumptions Used in the Estimate of Under Construction Block

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-March-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-March-33	As per workings
Asset Details		
Total Leasable Area	32,500 Sq. ft	As per the information provided by the Client
Leased Area	32,500 Sq.ft	As per the information provided by the Client
Vacant Area / Vacancy	0.00%	As per the information provided by the Client
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	00 Sq ft	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market for Grade A properties, the rent free period for existing lease rollovers is two months.
Rent Free Period for New Leases	3 months	As prevalent in the micro-market for Grade A properties, the rent free period for new leases is three months.
Total No. of Car Parking Spaces	00	As per the information provided by the Client
No. of Car Parking Spaces Leased	00	As per the information provided by the Client
Construction Related Assumptions		
Approx construction Cost to be incurred (CAPEX)	INR 113.7 Mn	As per the information provided by the Client
Estimated Completion Date	For the under-construction project estimated date of completion is Q1 FY24 and cost to be incurred is till Q3 FY24.	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases i.e. 4.5% every year	As prevalent in the market it is observed that lease agreements are primarily at 4.5% rent escalations every year.
Market / Marginal Rent - Office	INR 81 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are

Parameters	Assumptions / Inputs	Remarks / Basis
		recorded in the range of INR 75 – 85 per sq. ft. per month for last 5 years. The asking instances are observed in the range of INR 80 - 95 per sq. ft. per month. Please refer table 6.4 and 6.5. Based on the market benchmarking of recent leases on aspects such as location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market Rent - Car Parking Space	Not Applicable	
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent - Kiosk	Not Applicable	
Market / Marginal Rent - Terrace	Not Applicable	
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	5.0% per Annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5.0% per annum for the Project
Parking Rent Growth from FY 2024-25	4.5% per Annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 4.5% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76.0%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 17.27 per sq.ft per month	As given by the Client and as prevalent in the market
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market

Parameters	Assumptions / Inputs	Remarks / Basis
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 14.72 per sq.ft per month	As given by the Client and as prevalent in the market
Property Tax	INR 3.76 per sq ft per month	As given by the Client
Insurance	INR 0.30 per sq ft per month	As given by the Client
Cost Escalation	3.0% per Annum	As prevalent in the market.
CAM Escalation	5.0% per Annum	As prevalent in the market.
Other Assumptions		
Transaction Cost on Sale	1.0% of Terminal Value	As prevalent in the market
Other Operating Expenses	2.0% of Base Rent + Car Parking Charges	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 13.0%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.0% (post yield shrinkage). Capitalized based on the Net Cashflows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Table 7.4: Market Value of the Project

Component	Leasable Area (sq. ft.)	Market Value (INR Mn)	Percentage Share
Commercial / Office Space incl. Amenities - Completed	739,943	8,890.73	95.8%
Commercial / Office Space incl. Amenities - Under Construction	32,500	331.91	4.2%
TOTAL	772,443	9,222.64	100.0%

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the Entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project comprising total leasable area of 772,443 sq. ft. of project The Square, is estimated to be located on Nagar Road, Pune, Maharashtra, India, 411014, is estimated to be **INR 9,222.64/-Million (INR Nine Billion Two Hundred Twenty Two Million Six Hundred and Forty Thousand Only).**

Table 7.5 Ready Reckoner Rates for the Property

Component	Ready Reckoner Rate (INR per sq.m)
Commercial (Built-Up Area)	101,780
Land Area (Open Plot)	26,920

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

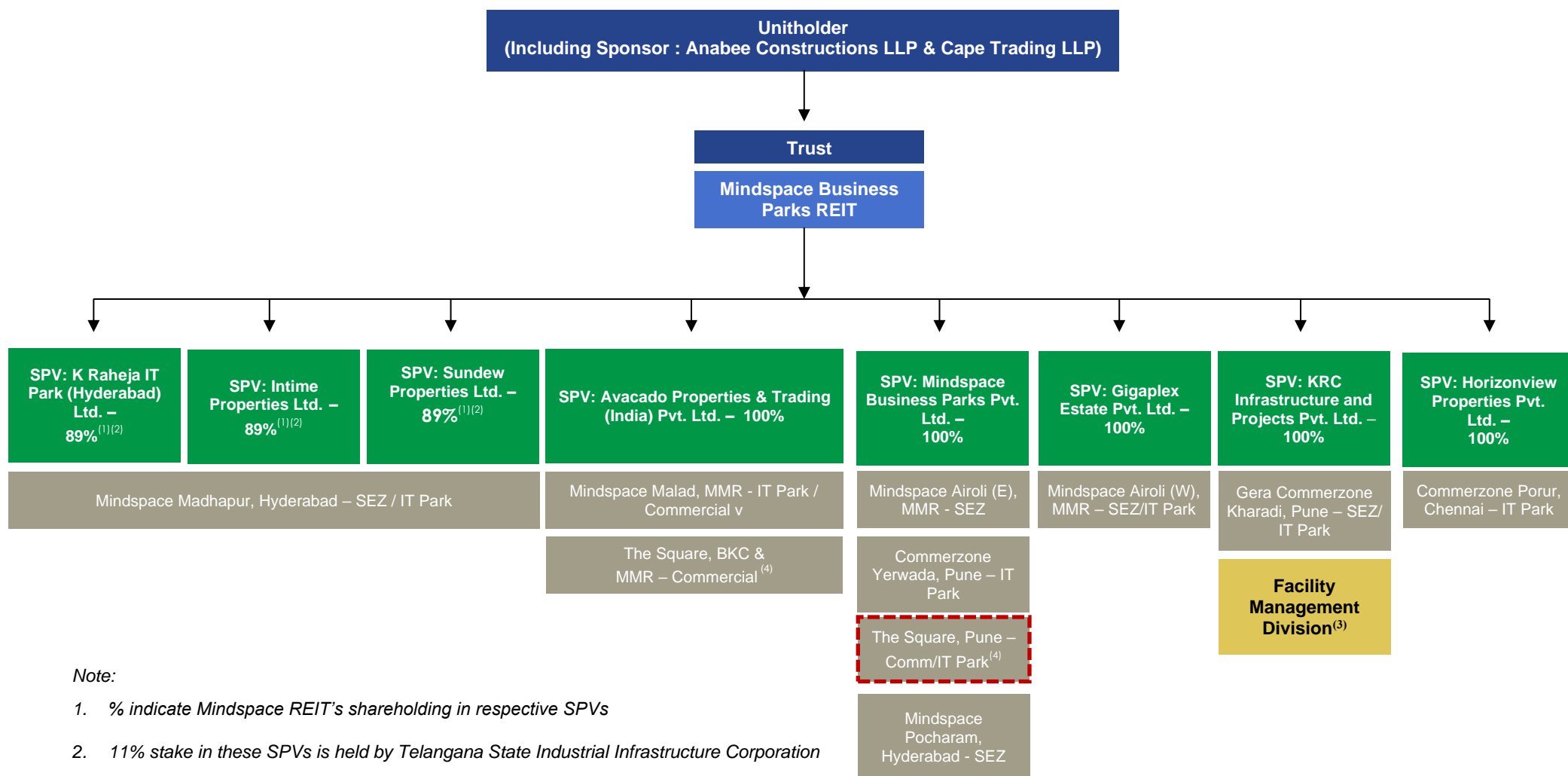
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2 Layout Plan of the Project



Annexure - 3
Statement of Key Assets within the Project

BUILDING	IT	COMMERCIAL
Floor	B1+G+6F	B1+2P+4F
Warm Shell / Bare shell	Warm shell	Warm shell
Air Cooled Chiller	200	
Water Cooled Chiller	1 x 180, 1 x 350	1 x 380, 4 x 450
No of Elevators /Make	6- Hyundai	6-Hyundai, 5-Thyssenkrupp
No of DG / Capacity	2 x 1250	4 x 1500
No of Transformers / Capacity	2 X 1250	4 x 2000
Booster Pump	10.5, Mother Plant	5.5, Crompton Greaves
Jockey Pump	2 x 7.5, Wilo	2 x 15, Crompton Greaves
Fire Diesel Pump	75, Graves Cotton	75, Graves Cotton
Hydrant Pump	75, Bharat Bijlee	75, Crompton Greaves
Sprinkle Pump	75, Bharat Bijlee	75, Crompton Greaves
STP Rating	380	

Annexure - 4

Approvals and NOCs Received for the Project

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

1. Approvals Received

- a) Approved masterplans
- b) Commencement Certificate
- c) Consent to Operate (for Commercial Block completed portions and IT Building)
- d) Occupancy Certificates for all operational buildings (Revised OC for Commercial Block to be obtained post conversion)
- e) Height Clearance NOC from AAI
- f) One-time Fire NOC and Form B for all buildings
- g) Environmental Clearances
- h) Consent to Establishment
- i) Revised CC for Commercial / Multiplex Building Modification / alteration to IT/office Space. 2nd and 3rd Floor.
- j) Revised Final Fire NOC Received for 2nd Floor of Modified IT/ Office Space.
- k) Occupancy Certificate obtained for 2nd Floor of Modified IT/ office Space.

2. Approvals applied but pending to receive

- a) Revised Final Fire NOC Received for 3rd Floor of Modified IT/ Office Space.
- b) Occupancy Certificate to be obtained for 3rd Floor of Modified IT/ office Space.
- c) Revised CTO as per the modification in 2nd and 3rd Floor.

Annexure - 5

Ready Reckoner Rate Applicable for the Project


Department of Registration & Stamps
 Government of Maharashtra

नोंदणी व मुद्रांक विभाग
महाराष्ट्र शासन


Registration and Stamp Department, Government of Maharashtra
 Market value rate sheet

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Year
 2023/2024

Annual Statement of Rates

Language
 English

Selected District Pune
Select Taluka Haveli
Select Village वडगाव खोरी (रामवाडी)
Search By ☐ Survey no ☒ Location

Select	subdivision	open land	Residential Flats	Office	shops	Industrial	Unit (Rs.)
Survey No	29-434 - Rainwadi Village	16470	50820	71150	103970	0	Sq. meter
Survey No	29-436.1-Residential Project of Tryst Properties Pvt	26920	77210	101780	132100	0	Sq. meter
Survey No	29-436.2-Residential Project of Wakefield India Co. Pvt Ltd	26920	80150	102450	133100	0	Sq. meter
Survey No	29-436-Property on Pune Nagar Road - Road (New Boundary)	26920	77670	89330	112800	0	Sq. meter
Survey No	29-437.1 - Residential Projects	10500	78250	118510	170620	0	Sq. meter
		1 2 3 4					

Annexure - 6

Discounted Cash Flow Profile

Table 7.6 Discounted Cash Flow for Completed/Operational Project (INR Mn)

		1-APR-22	1-APR-23	1-APR-24	1-APR-25	1-APR-26	1-APR-27	1-APR-28	1-APR-29	1-APR-30	1-APR-31	1-APR-32	1-APR-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		157.00	-	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		655.46	697.11	730.18	743.40	861.04	920.15	961.55	1,004.82	984.53	1,040.14	1,112.37
B	Car Parking Income		3.54	3.54	3.54	3.37	3.63	3.69	3.75	3.81	3.55	4.25	4.44
C	Fit-out rentals/ tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		659.00	700.65	733.72	746.77	864.68	923.84	965.31	1,008.64	988.08	1,044.39	1,116.81
E	Maintenance services income		158.58	165.66	173.94	182.64	191.77	201.36	211.43	222.00	233.10	244.76	256.99
F	Other Operating Income		6.55	6.97	7.30	7.43	8.61	9.20	9.62	10.05	9.85	10.40	11.12
G	Revenue from Operations		824.14	873.28	914.97	936.85	1,065.06	1,134.40	1,186.35	1,240.69	1,231.03	1,299.55	1,384.92
	Direct Operating Expenses												
H	Maintenance services Expenses		137.22	144.08	151.28	158.85	166.79	175.13	183.88	193.08	202.73	212.87	223.51
I	Property Tax		34.42	35.45	36.51	37.61	38.74	39.90	41.10	42.33	43.60	44.91	46.26
J	Insurance Premium		2.76	2.84	2.92	3.01	3.10	3.19	3.29	3.39	3.49	3.59	3.70
K	Net Operating Income (NOI)		649.74	690.91	724.25	737.38	856.43	916.18	958.08	1,001.89	981.20	1,038.18	1,111.45
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	13,754.22	-
	Indirect Operating Expenses												
L	Brokerage Fees		7.55	-	-	35.62	5.10	-	-	-	25.97	11.71	-
M	Property Management Fee		23.29	24.77	25.94	26.40	30.57	32.66	34.12	35.65	34.93	36.92	39.48
N	Other operational expenses		13.18	14.01	14.67	14.94	17.29	18.48	19.31	20.17	19.76	20.89	22.34
O	Net Cashflows		448.72	652.13	683.64	660.42	803.47	865.05	904.65	946.06	900.54	14,722.88	1,049.64

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

Table 7.7 Discounted Cash Flow of Under-Construction Project (INR Mn)

		1-APR-22	1-APR-23	1-APR-24	1-APR-25	1-APR-26	1-APR-27	1-APR-28	1-APR-29	1-APR-30	1-APR-31	1-APR-32	1-APR-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		113.70	-	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		16.43	33.78	35.30	36.89	38.55	40.28	42.10	43.99	37.73	46.52	48.61
B	Car Parking Income												
C	Fit-out rentals/ tenant improvements												
D	Facility Rentals		25.01	50.94	52.46	54.05	55.71	57.44	59.26	61.15	48.41	46.52	48.61
E	Maintenance services income		5.30	7.42	7.80	8.19	8.60	9.02	9.48	9.95	10.34	10.75	11.29
F	Other Operating Income		0.16	0.34	0.35	0.37	0.39	0.40	0.42	0.44	0.38	0.47	0.49
G	Revenue from Operations		30.48	58.70	60.61	62.60	64.69	66.87	69.15	71.54	59.13	57.73	60.38
	Direct Operating Expenses												
H	Maintenance services Expenses		4.52	6.33	6.64	6.98	7.33	7.69	8.08	8.48	8.90	9.35	9.82
I	Property Tax		1.13	1.56	1.60	1.65	1.70	1.75	1.81	1.86	1.92	1.97	2.03
J	Insurance Premium		0.09	0.12	0.13	0.13	0.14	0.14	0.14	0.15	0.15	0.16	0.16
K	Net Operating Income (NOI)		24.74	50.69	52.23	53.84	55.53	57.29	59.13	61.05	48.15	46.25	48.37
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	598.61	-
	Indirect Operating Expenses												
L	Brokerage Fees		-	-	-	-	-	-	-	-	3.89	-	-
M	Property Management Fee		0.88	1.79	1.85	1.90	1.96	2.02	2.09	2.16	1.71	1.64	1.72
N	Other operational expenses		0.33	0.68	0.71	0.74	0.77	0.81	0.84	0.88	0.75	0.93	0.97
O	Net Cashflows		(90.17)	48.22	49.68	51.20	52.79	54.46	56.20	58.02	41.80	642.29	45.68

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

Annexure - 7

Material Litigations

i) Regulatory actions:

1. MPCB, pursuant to the meeting of its Consent Appraisal Committee (“CAC”) held on December 12, 2017, issued a show cause notice dated June 5, 2018 to Trion Properties Pvt. Ltd. (prior to demerger of mall and IT undertakings from Trion Properties Pvt. Ltd. to MBPPL) in relation to certain non-compliances with environmental clearance for one commercial building (approximately 0.56 msf of leasable area as per lease deeds) forming part of The Square, Nagar Road project, and directed MBPPL to stop work on the project until a valid consent is obtained from it.
Earlier, Trion Properties Pvt. Ltd. had obtained environment clearance on May 8, 2007 and consent to operate dated September 30, 2011 which was renewed from time to time. In the renewal of consent to operate application dated August 27, 2013, MPCB had specified the requirement for applying separately for environment clearance and consent to operate for additional construction area. By application dated March 17, 2017 Trion Properties applied for renewal of consent to establish for IT building and for correction of built-up area of the mall building.

By letter dated March 20, 2018, MBPPL (as the successor of Trion) referred to the observations requested the MPCB to grant the consent to establish and replied to the alleged non-compliances observed by the MPCB. MBPPL replied to the show cause notice by way of its letter dated July 6, 2018 stating that it had received amended environment clearance dated June 15, 2018 and complied with the other requirements and requested for withdrawal of the show cause notice and grant of renewed consent. Further, on August 18, 2018, the CAC requested for certain details for considering MBPPL's consent to establish application. MBPPL provided the requested details to the CAC on September 4, 2018. CAC in its meeting held on December 11, 2018 observed that MBPPL had applied for re-validation for consent to establish for remaining BUA for IT activity, and was operating IT activity without obtaining consent from MPCB, and deferred the case and requested MBPPL to provide a presentation along with the relevant documents. On January 19, 2019, CAC requested MBPPL to contact the concerned person for taking prior appointment of the chairman for the presentation.

MBPPL has made an application dated December 11, 2019 to MPCB to obtain consent to operate, for the IT building at The Square, Nagar Road. CAC issued a show cause notice dated August 17, 2020 as to why the application for consent to operate should not be refused, inter alia as environment clearance was not in the name of the project and sought clarity and details inter alia relating to occupation certificate. By reply dated August 24, 2020, MBPPL provided the required clarifications and details, and requested for processing the application and issuing the necessary consent to operate. The CAC, in its meeting held on December 4, 2020, has approved to grant the consent to operate subject to MBPPL submitting the amended environmental clearance in the name of MBPPL and after payment of additional consent fees. The amended environment clearance dated June 15, 2018 was inadvertently issued in the individual name of Mr. Anil Mathur. Mr. Anil Mathur has issued the no objection certificate on June 19, 2021 in favour of SEAC-111, Environment Department, Mantralaya, Mumbai for change of name in the said amended environmental clearance from Mr. Anil Mathur to MBPPL and the consent letter has also been submitted to CAC on June 19, 2021 by MBPPL in this regard. By its letter dated September 3, 2021 to MBPPL, SEIAA, Environment & Climate Change Department, Mantralaya, Mumbai has communicated the decision taken by it and SEAC-3 in their respective meetings to transfer the name from Mr. Anil Mathur to MBPPL for

the said amended environmental clearance. The consent to 1st operate (Part II) was issued on October 6, 2021 ("**CTO**"). By letter dated October 14, 2021 to Member Secretary, CAC, MBPPL stated that MBPPL had issued a bank guarantee for ₹ 1 million ("**BG**"). However, MBPPL observed that the CTO had a condition that the BG was being forfeited since the IT park was operative since 2016 without obtaining consent to operate by MBPPL. MBPPL further stated that since the date of application i.e. December 30, 2015, no objection was received and it was deemed approved and accordingly, the proposed forfeiture of the aforesaid BG should not be effected and thereby requested for withdrawal of the proposal of forfeiture of BG.

2. The Tahsildar, Revenue Department, Collectorate Office Pune ("**Tahsildar**"), by letter dated March 22, 2021 ("**Letter**") to MBPPL (addressed to Mr. Anil Mathur) requesting MBPPL to provide details (as per the format provided in the said Letter) of the expenditure/provision for ₹ 27.22 million towards the Corporate Environment Responsibility ("**CER**") in respect of revalidation and proposed amendment in environment clearance to accommodate mixed use occupancies at the Square, Nagar Road and requested for hearing at the Collectorate Office Pune and response to the Letter. The Letter was issued with reference to the office memorandum dated May 1, 2018 ("**OM**") issued by the Ministry of Environment, Forest and Climate Change, Impact Assessment Division, New Delhi ("**MoEF**") relating to the CER. By letter dated March 24, 2021, MBPPL sought additional time to submit its detailed response to the Letter. By letter dated May 6, 2021 to the Tahsildar, MBPPL submitted, among other things, that (i) the environment clearance dated June 15, 2018 issued to MBPPL does not contain any condition or requirement/liability on MBPPL to spend/make provision for CER; (ii) the revalidation and proposed amendment in the environment clearance neither involved expansion in area nor any enhancement in cost of the project; and (iii) there is no liability on MBPPL since the OM specifically provided that CER is not applicable in case of an amendment involving no additional project investment. No further correspondence has been received.
3. Ministry of Environment, Forest & Climate Change ("**MOEF & CC**"), by its letter dated August 13, 2021 to MBPPL (addressed to Mr. Anil Mathur), informed MBPPL that they are directed by National Green Tribunal, Principal Bench, New Delhi ("**NGT**") to bring to MBPPL's attention the order dated July 26, 2021 ("**NGT Order**") passed by the NGT on the application made by Navnath Namdeo Jadhav pursuant to which NGT has instructed the MOEF & CC to ensure the compliance of conditions of environmental clearance granted to the 10 projects located in Mumbai and Pune which includes IT and Mall building at The Square, Nagar Road. MOEF & CC has by the said letter dated August 13, 2021 requested MBPPL to provide information and documents as mentioned therein. By letter dated October 19, 2021 to MOEF & CC, MBPPL has provided the details and documents pertaining to the queries raised.
4. The Collector and Competent Authority, Pune Urban Agglomeration issued a notice dated March 13, 2023 to M/s Semi Conductors Ltd ("**Semi Conductors**") stating that: (a) the exemption order under Section 20 of the Urban Land Ceiling Act, 1976 was granted in respect of the property being the Square, Nagar Road project and as per the said order, the use or utilization of the land was to be done for industrial purpose and the transfer of the said property was prohibited, (b) pursuant to the documents in respect of building permission submitted by Pune Municipal Corporation to the Urban Land Ceiling authorities, it has been observed that Semi Conductors changed the user of the property to another user and obtained development permission. Hence, as per the Government Resolution dated August 1, 2019 in order to make the payment of premium, Semi Conductors was called to appear on March 23, 2023, failing which it was to be construed that the transfer was done and user was changed without obtaining permission, and a charge would be entered on the revenue records or property card in respect of the said property. MBPPL submitted a holding reply on March 23, 2023 and sought time to detailed submissions to the notice. The next date to file detailed submissions is April 3, 2023.

5. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 ("Income Tax Act") against Avacado, Gigaplex, KRIT, MBPPL, Chalet Hotels, Genext, Inorbit Malls, KRCPL, KRPL, Shoppers Stop and others ("Parties"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act directing them to prepare and furnish true and correct returns of total income for assessment years ("AY") from 2008-2009, 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department issued notices under Section 142(1)/143(2) of the Income Tax Act for assessment years 2008-2009, 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Parties from time to time.
6. MBPPL filed appeals before the CIT(A) against the order for AY 2012-13 to AY 2017-18 and against order for AY 2018-19. MBPPL made an application under the VsV for AY 2012-13, AY 2013-14 & AY 2014-15. MBPPL received final order for AY 2012-13, accepting the VsV Application. The appeal for AY 2015-16 and 2016-17 were disposed by the CIT(A) in favour of MBPPL with direction to the assessing officer. The appeal for AY 2012-13 was dismissed by the CIT(A) in view of VsV order for the said year. VsV application for AY 2013-14 was rejected and the final order under VsV for AY 2014-15 is currently pending. The appeal for AY 2013-14 was disposed by the CIT(A) against MBPPL and an appeal has been filed before the ITAT against the same. Appeal filed before ITAT for AY 2013-14 has been withdrawn by MBPPL. The Income Tax Department filed an appeal for AY 2015-16 and AY 2016-17 before ITAT against the order of the CIT(A) and the same were disposed by the ITAT in favour of MBPPL. MBPPL received a notice under section 148 for assessment year 2014-15. MBPPL filed return of income under protest in response to the said notice for assessment year 2014-15 and also sought reasons for reopening the assessment. MBPPL received reasons for reopening and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order rejecting the objections filed. MBPPL filed a writ petition with the Bombay High Court against the notice under section 148 and rejection order. Bombay High Court has passed the order quashing the notice under section 148. Subsequently, Supreme Court has upheld the validity of the notice. MBPPL received notice u/s 148A(b) and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order under section 148A(d) rejecting the objections filed and served notice under section 148 of the Income Tax Act. The return of income was filed under protest in response to the said notice. MBPPL has filed Writ Petition before Bombay High Court against the notice u/s 148 and order u/s 148A(d).

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Commerzone, Porur, Chennai

Tamil Nadu, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-Apr-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name	Commerzone, Porur, Chennai, Tamil Nadu, India
Property Address	Commerzone Porur, Bus Stop, Mount Poonamallee High Road, Adithi Colony, Sriram Nagar, Mugalivakkam, Chennai, Tamil Nadu 600116
Land Area	~6.13 acres
Brief Description	<p>The Project is located in the western part, in the Secondary Business District micro market of Chennai City along Mount Poonamallee Road. It is located at a distance of about 2 km from the Porur Junction and about 5km from the Kathipara Flyover, which is the major interchange junction connecting various parts of the city.</p> <p>The project is developed as Grade A IT Park with two (2) blocks (Block A & B) comprising of 1,125,357 sq. ft of leasable area under. Mindspace REIT's share of leasable area in the project is 883,663 sq. ft. (as informed by the client). The Project has excellent visibility and frontage along the access road.</p> <p>The project is surrounded by mixed-use developments comprising commercial, residential, retail, and hospitality developments.</p>

Asset Details Leasable area details of the project (Mindspace REIT share) as shared by the Client is given below:

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Commerzone - Block A	391,406
2.	Commerzone - Block B	492,257
	Total Leasable Area	883,663

Based on the site inspection, all buildings are operational. There are no under-construction buildings within the project.

Location Map



Key Assumptions

The table below summarizes key valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office
Current Status	Completed and Operational
Total Leasable Area	883,663 sq. ft. (The interest of the Mindspace REIT in the Project)
Revenue Assumptions	
In-Place Rent	INR 64.4 per sq. ft. per Month
Market / Marginal Rent	INR 63.0 per sq. ft. per Month
Parking Rent	INR 2,500 per CPS per Month

	Financial Assumptions	
	Exit Cap Rate	8.00%
	Discount Rate / WACC	11.75%
Market Value	For Completed Projects - INR 8,205.23 million (INR Eight Billion Two Hundred Five Million Two Hundred Thirty Thousand Only)	
	<i>Note: The valuation presented is for Mindspace REIT interest in the project only.</i>	

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LIST OF ABBREVIATIONS

BSE	Bombay Stock Exchange
CBD	Central Business District
CMA	Chennai Metropolitan Area
CMDA	Chennai Metropolitan Development Authority
CMWSSB	Chennai Metropolitan Water Supply and Sewerage Board
DCR	Development Controls & Regulations
FSI	Floor Space Index
GNT	Grand Northern Trunk
GST	Grand Southern Trunk
HVAC	Heating, Ventilation, and Air Conditioning
INR	Indian National Rupees
IT	Information Technology
ITES	IT enabled Services
IVSC	International Valuation Standards Committee
km	kilometer
MPR	Mount Poonamallee Road
NH	National Highway
NPV	Net Present Value
OMR	Old Mahabalipuram Road
PBD	Peripheral Business District
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SBD	Secondar Business District
SEZ	Special Economic Zone
SH	State Highway
STP	Sewage Treatment Plant
sq. ft.	square feet
sq. m	square meter
TNCDBR	Tamil Nadu Combined Development and Building Rules
TNEB	Tamil Nadu Electricity Board

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project named '**Commerzone Porur**' located along **Mount Poonamallee Road, Porur, Chennai, Tamil Nadu, India** (hereinafter referred to as the 'Project'). The Project is an operational IT Park having leasable area of 1,125,357sq. ft. and the interest of the Mindspace REIT in the Project is 883,663 sq ft as indicated by Client. As instructed by the Client and based on information provided, the following blocks have been considered under the purview of this valuation exercise.

Table 1.1: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Commerzone - Block A (Completed)	391,406
2.	Commerzone - Block B (Completed)	492,257
	Total Leasable Area	883,663

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report (valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master's in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal Institution of Chartered Surveyors ("RICS"), Fellow and Lifetime Member of Institute of Valuers, India ("IOV"), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER'S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, Limitations and Disclosures) detailed after this section 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 Project 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.

1.7 INSPECTION OF THE PROJECT

The Project was inspected on 30 March 2023 by the Valuer in the presence of Client-nominated representative and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the Project has taken place except for the progress of construction work in accordance with the information shared.

1.8 GENERAL COMMENT

A valuation is an estimation 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment

material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the valuation. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.
10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried

	out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11. Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12. Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13. Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14. Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
4.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimating Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of the asset involved (completed & operational commercial / office space), the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Options or Rights of Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows) backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted a exit cap rate of 8.00% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective contribution to the total capital of the company (WACC).

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate considering the location of Project and market dynamics of the micro market, has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 11.75% for the completed portion of the project.

This derived discount rate was found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Commerzone, Porur, Chennai, Tamil Nadu, India													
Property Address	Commerzone Porur, Bus Stop, Mount Poonamallee High Road, Adithi Colony, Sriram Nagar, Mugalivakkam, Chennai, Tamil Nadu 600116													
Land Area	~6.13 acres													
Brief Description	<p>The Project is located in the western part, in the Secondary Business District micro market of Chennai City along Mount Poonamallee Road. It is located at a distance of about 2 km from the Porur Junction and about 5km from the Kathipara Flyover, which is the major interchange junction connecting various parts of the city.</p> <p>The project is developed as Grade A IT Park with two (2) blocks (Block A & B) comprising of 1,125,357sq. ft of leasable area under. Mindspace REIT's share of leasable area in the project is 883,663 sq. ft. (as informed by the client). The Project has excellent visibility and frontage along the access road.</p> <p>The project is surrounded by mixed-use developments comprising commercial, residential, retail, and hospitality developments.</p>													
Asset Details	<p>Leasable area details of the project (Mindspace REIT share) as shared by the Client is given below:</p> <table border="1"> <thead> <tr> <th>Sl.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Commerzone - Block A</td><td>391,406</td></tr> <tr> <td>2.</td><td>Commerzone - Block B</td><td>492,257</td></tr> <tr> <td></td><td>Total Leasable Area</td><td>883,663</td></tr> </tbody> </table> <p>Based on the site inspection, all buildings are operational. There are no under-construction buildings within the project.</p>		Sl.	Building Name	Leasable Area (sq. ft.)	1.	Commerzone - Block A	391,406	2.	Commerzone - Block B	492,257		Total Leasable Area	883,663
Sl.	Building Name	Leasable Area (sq. ft.)												
1.	Commerzone - Block A	391,406												
2.	Commerzone - Block B	492,257												
	Total Leasable Area	883,663												
Valuation Methods	<p>The estimate of Market Value is prepared using following method:</p> <table border="1"> <thead> <tr> <th>Sl - No.</th><th>Asset Type</th><th>Methodology Adopted</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Completed Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr> </tbody> </table>		Sl - No.	Asset Type	Methodology Adopted	1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion						
Sl - No.	Asset Type	Methodology Adopted												
1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion												
Nature of the Interest by the Client	Project is a freehold asset and it is owned by the Horizonview Properties Private Limited. Mindspace Business Parks REIT (Mindspace REIT) holds 100% ownership of the Horizonview Properties Private Limited.													
Purchase Price of the Project	INR 5,185 million, as given by the Client													
Historical Valuation of the Project in 3 Previous Years	<p>Below table summarizes historical valuation of the Project as given by the Client:</p> <table border="1"> <thead> <tr> <th>Sl.</th><th>Date of Valuation</th><th>Market Value (INR Million)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>30-Sep-2022</td><td>7,873</td></tr> <tr> <td>2.</td><td>31-Mar-2022</td><td>7,562</td></tr> <tr> <td>3.</td><td>30-Sep-2021</td><td>7,314</td></tr> </tbody> </table>		Sl.	Date of Valuation	Market Value (INR Million)	1.	30-Sep-2022	7,873	2.	31-Mar-2022	7,562	3.	30-Sep-2021	7,314
Sl.	Date of Valuation	Market Value (INR Million)												
1.	30-Sep-2022	7,873												
2.	31-Mar-2022	7,562												
3.	30-Sep-2021	7,314												

	4.	31-Mar-2021	6,993
	5.	30-Sep-2020	6,204
	6.	31-Mar-2020	5,946
Ready Reckoner Rate	Land Area - INR 3,886 per sq. ft. as on 31 March 2023		
Date of Valuation	31-Mar-2023		
Date of Inspection	30-Mar-2023		
Market Value as on 31-Mar-2023	For Completed Project - INR 8,205.23 million (INR Eight Billion Two Hundred Five Million Two Hundred Thirty Thousand Only) <i>Note: The valuation presented is for Mindspace REIT interest in the project only.</i>		
Matters Affecting the Property and its Value	Please refer to Chapter 7 of this Valuation Report		
Assumptions, Disclaimers, Limitations and Qualifications	This Valuation Report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report, which are made in conjunction with those included within the Assumptions, Limitations & Qualifications section located within this report. Reliance on this report and extension of Valuer's liability is conditional upon the reader's acknowledgement and understanding of these statements. This Valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party, who may use or rely on the whole or any part of the content of this Valuation Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Project		
Prepared by	KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164) Represented through its Director Mr. Sachin Gulaty FRICS FIV FIIA IBBI/RV/02/2021/14284		



Name: Sachin Gulaty FRICS FIV FIIA
Designation: Director
Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5.1: Details of the Project Site and/or Project

DETAILS OF PROJECT			
Property Name	Commerzone, Porur, Chennai, Tamil Nadu, India		
Property Address	Commerzone Porur, Bus Stop, Mount Poonamallee High Road, Adithi Colony, Sriram Nagar, Mugalivakkam, Chennai, Tamil Nadu 600116		
Land Area	~6.13 acres		
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details of Project (Mindspace REIT share) as shared by the Client is given below:		
	Sl. No.	Building Name	Leasable Area (sq. ft.)
	1.	Commerzone - Block A	391,406
	2.	Commerzone - Block B	492,257
		Total Leasable Area	883,663
Access	Accessible through 30m wide Mount Poonamallee Road		
Frontage	Approximately ~98m frontage along Mount Poonamallee Road		
Shape and Visibility	Regular in shape. Relatively flat terrain. Excellent visibility from access road		
Approval Status	Project has requisite approvals in place as confirmed by the Client.		
INFRASTRUCTURE			
Water Supply, Sewerage & Drainage	Available within the Project		
Power & Telecommunication	Available within the Project		

5.2 LOCATION OF THE PROJECT

The Project is located at Porur which is classified as SBD Southwest office market of Chennai. It is well accessed by 30m wide Mount Poonamallee Road on the Southern Side. Porur Junction and Kathipara Junction are located approx. 2kms and 5kms from the Project respectively which are the major interchange junctions to various parts of the city. Chennai International Airport is just 9kms from Project. The proposed metro corridor 4, which would connect lighthouse to Poonamallee Bus Depot, would have a station at Porur Junction. This would strengthen the connectivity and accessibility along MPR as well as to the Project. The Phase 2 Metro is estimated to be completed by 2026. There are many IT/ITes developments located along Mount Poonamallee Road and the larger development being DLF Cybercity located at a distance of ~1km from Project.

Map 5.1: Location of the Project Site with respect to the Chennai City



Source: Real Estate Market Research & Analysis; JLL, 31 Mar 2023

Distance and accessibility to the Project from major landmarks in the city is given below

Table 5.2: Distance of the Project from Major Landmarks of Chennai City

Location / Landmark	Approximate Distance from Project
DLF Cybercity	1.0
Chennai Trade Centre	2.0
Kathipara Junction	5.0
Chennai Airport	11.0
CMBT	11.0
MGR Central Railway Station	18.0

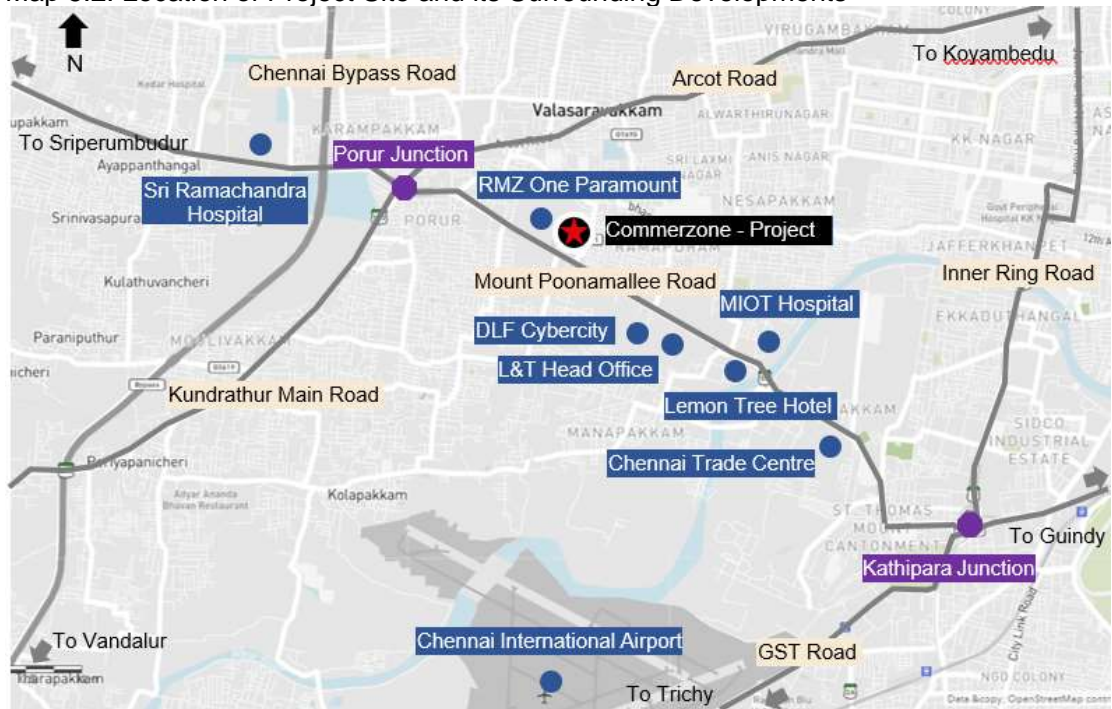
Source: Real Estate Market Research & Analysis; JLL, 31 Mar 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as Grade A commercial office space along Mount Poonamallee Road (MPR). The Project is surrounded by mixed use development comprising residential, retail, and commercial asset classes. The Project has trapezoidal plot and contiguous in nature, having flat topography with no significant variations in the elevation of the site. It has excellent visibility and frontage along the access road.

The Project is spread across ~6.13 acres of land. It enjoys good frontage along the access road and has one main entrance. The map below presents location of the Project Site and its surroundings.

Map 5.2: Location of Project Site and its Surrounding Developments



Source: Real Estate Market Research & Analysis; JLL, 31 Mar 2023

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



The table below presents the boundary/edge conditions of the Project.

Table 5.3: Project and its Site Boundaries

North	One Paramount Campus 20 & 30
South	Mount Poonamallee Road (Access Road)
West	One Paramount (Campus 10)
East	Industrial & Residential Developments

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The Project is surrounded by commercial, residential, retail and hospitality developments in the vicinity. Grade A commercial / office developments and premium residential developments are also present in the micro-market.

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 1,125,357sq. ft. as per the occupancy certificate and it is spread across two (2) blocks (Block A & B). Out of which, first two floors in both the blocks have been demarcated for the landowner and remaining to the developer (Horizonview Properties Pvt Ltd). The Project provides rights to the owner and developer on undivided share of land and interests in all the common areas and amenities. The interest of the Mindspace REIT in the Project is to the extent of 883,663 sq ft. All building blocks are completed & operational and are non-SEZ buildings. The table below presents details of the Project in terms of buildings and leasable area.

Table 5.4: Details of the Project in terms of Buildings and Leasable Area

Sl.	Building Name	Leasable Area (sq. ft.)
1.	Commerzone - Block A	391,406
2.	Commerzone - Block B	492,257
	Total Leasable Area	883,663

Source: Client, March 2023

In addition to the above, the undivided rights, title and interest in the following assets are also part of the Project.

- Total amenities
- Total utility areas and internal roads.
- Total open spaces.

The table below presents key asset specific information.

Table 5.5: Key Asset Specific Information of the Project

Particulars	Description
Name of the Entity	Horizonview Properties Private Limited
Interest owned by Mindspace REIT	883,663 sq. ft. of leasable area is owned by Horizonview Properties Private Limited which is 100% owned and controlled by the Mindspace REIT ¹
Land Extent	~6.13 acres
Asset Type	IT Park with Non-SEZ buildings
Sub-Market	SBD Southwest
Approved and Existing Usage	IT – Non SEZ Office development

Particulars	Description		
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building
	1.	Commerzone - Block A	2 years 10 months
	2.	Commerzone - Block B	2 years 10 months
Current Status	100% Complete and Operational		
Approvals Status	List of approvals are specified in annexure 4		
Freehold/Leasehold	The underlying land is taken on freehold basis		
Leasable Area	883,663 sq. ft.		
Occupied Area	295,560 sq. ft.		
Committed Area	826,491 sq. ft.		
Occupancy ^{3/}	33.4%		
Committed Occupancy ^{4/}	93.5%		
Number of Tenants	7		

Note: ^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 0.88 million sq. ft.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

5.5 PROJECT INSPECTION













The Project is part of a larger campus having total leasable area of 1,125,357 sq. ft. spread across two (2) blocks (Block A & B). Out of which, first two floors in both the blocks have been demarcated for the landowner and remaining floors to the developer (Horizonview Properties Pvt Ltd). All building blocks are completed & operational and are non-SEZ buildings, as on the date of inspection by the Valuer. The Project was inspected by the Valuer on 30 March 2023.

The inspection comprised visual inspection of operational buildings comprising the Project and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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

Some of the photographs of the Project and surroundings are given below



	
Exterior View of the Project	Main Lobby Area at Ground Floor
	
Lift Lobby Area	Cafeteria located in Block B
	
Meeting Room in Lobby Area	Utility Area
	
Basement – Parking Area	Utility Area
	
Food Court Area located in Block B	Vacant Floor
	
Landscaped Area	Landscaped Area

5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

The table below highlights the building details.

Table 5.6: Area Details and Age of Structure

Sl.	Building Name	Leasable Area (sq. ft.)	Usage Type	Status	Age of the Building
1.	Block A	391,406	IT - Non SEZ	Completed	2 years 10 months
2.	Block B	492,257	IT - Non SEZ	Completed	2 years 10 months

Developable Area of the Project

The total site area of the project is ~6.13 acres with total leasable area of 1.13 Mn sq. ft. under 2 Buildings in total of which Mindspace REIT owns 0.88 msf of total leasable area. .

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The Project is sought to be in good condition. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings. Hence, no major building repair works are required except the general testing of plants and machineries in regular intervals.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project to any natural or induced disaster the location of the Project with respect to risks pertaining to earthquakes, high winds/cyclone and flooding was studied. Chennai where the Project is located falls in Seismic Zone III with moderate risk. The city faces low to moderate risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

The Project lies in highly vulnerable flood prone area as per the assessment carried out by Tamil Nadu State Disaster Management Authority (TNSDMA) after the event of Chennai flood took place in December 2015 and classified the areas with water level more than 5 feet due to heavy rains as high vulnerability areas. Since the Project is located at a relatively higher elevation compared to its immediate surroundings, indicating low to moderate risk of flooding and perennial water logging. It is also understood that the Project has followed required measures to mitigate the risks from any potential flooding:

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the Valuer, relating to the Project or any compounding charges

5.7 TENANCY ANALYSIS**Tenant Profile of Top Tenants in Project**

As on 31st March 2023, the Project has 7 tenants which include companies like R1 RCM, Tablespace, Simpliwork NPCI.

The top Tenants as per Leasable areas is listed below: -

Table 5.7: Tenants arranged as per Leasable areas

Sl. No.	Tenant	Leasable Area (Sq Ft)
1	HDFC Bank Limited	3,06,211
2	Hitachi Energy Technology Services Pvt Ltd	2,24,720
3	Tablespace Technologies Pvt Ltd	1,09,514
4	Simpliwork Offices Pvt Ltd	68,655
5	R1 RCM Global Pvt Ltd	50,299
6	National Payment Corporation of India	42,567
7	Ramboll India Private Ltd	24,525
	TOTAL	826,491

Source: Analysis, 31 Mar 2023

The Tenants as per Gross Rents are listed below: -

Table 5.8: Tenants arranged as per Gross Rents

Sl. No.	Tenant*	Share of Gross Rents (%)
1	HDFC Bank Limited*	33.1%
2	Hitachi Energy Technology Services Pvt Ltd*	27.7%
3	Tablespace Technologies Pvt Ltd	14.4%
4	Simpliwork Offices Pvt Ltd	9.0%

Sl. No.	Tenant*	Share of Gross Rentals (%)
5	R1 RCM Global Pvt Ltd*	6.7%
6	National Payment Corporation of India	5.6%
7	Ramboll India Private Ltd	3.4%
	TOTAL	100.0%

Source: Analysis, 31 Mar 2023

Note: * - For some of the tenants rent commencement may not have happened

Lease Expiry Analysis

The WALE of the Project is 9.3 years, with 78% of occupied area expiring between CY 2031 and CY 2036 as shown in the chart below.



Source: Analysis, 31 Mar 2023

Escalation Analysis

The leases of the Project has typically seen rental escalation of 5% every year or 15% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Chennai is the fourth-largest metropolitan city in India. Located on the coast of Bay of Bengal, it is one of the largest cultural, economic, and educational centres of South India. Chennai has been ranked as the world's fifth-most dynamic city, as per the JLL City Momentum Index (CMI) for the year 2020. This ranking was supported by the rapidly evolving real estate sector, which is benefiting from the strong growth of the IT and Manufacturing industries and improving infrastructure. The city is culturally diverse and socially cosmopolitan and has been ranked fourth in the Ease of Living Index 2020, published by the Ministry of Housing and Urban Affairs.

Chennai's real estate industry showed strong growth in 2019 after a lull of five years, despite a sluggish auto sector and a slowdown in the city's economy. This growth can be attributed to the strengthening of the IT sector, the resurrection of the electronics industry and increased demand for Grade A offices from a host of occupier segments including manufacturing and flex. Just when Chennai's skyline was opening to a robust pipeline of commercial projects, the growth momentum of the city was affected by the onset of the COVID-19 pandemic, which brought the entire city to a standstill amid a complete lockdown. The rapid spread of the virus and the lockdown measures imposed delayed the expansion of business, curtailed capital expenditure and caused disruptions in the business cycle and, thereby, impacted investments and projects. In Q3 2020, with the phased unlocking of the economy, business activities gradually resumed. The strong development potential combined with the city's resilient nature helped the real estate sector get back on track and in Q4 2020 the city showed early signs of recovery. Although 2020 ended on a positive note as the office market in Chennai showed signs of recovery, there was still uncertainty in the market with respect to complete resumption of business-as-usual. Further, the rapid rise of COVID-19 cases in the first half of 2021 impacted leasing activity in the commercial market and compelled several occupiers to go into a 'wait-and-watch' mode.

However, in the second half of 2021, the office market gained stability backed by low COVID infection rates and active demand that translated into improved leasing activity. Occupiers were able to make real estate decisions with greater clarity as confidence recovered. Also, the re-opening of offices provided a further boost to confidence. The year 2022 started on the right note for Chennai's office sector with resurgent demand from occupiers. Chennai's Office market started its post pandemic recovery from 2022, with strong demand and robust supply pipeline. In Q4 2022, quarterly net absorption reached its highest level since 2019 and touched 1.24 million sq ft. The leasing momentum sustained despite global market headwinds and the rate-hike cycle, on account of quality supply and healthy pre-commitments in prominent projects. Q1 2023 sustained the demand momentum from key occupier categories despite of global headwinds and developers are very optimistic about the city's office real estate market, owing to the improving infrastructure in the city and the vast and affordable talent pool the city continues to offer. The first quarter of 2023 recorded 1.25 million sq ft gross leasing activity driven by churn and fresh deals.

6.3 INFRASTRUCTURE INITIATIVES

The city bus service network, operated by the Metropolitan Transport Corporation (Chennai) Limited (MTC), the Chennai Metro and Chennai Suburban Railway form the key mass rapid transit system (MRTS) of Chennai. The city has an intricate road network of 2,780 km connected by MTC. These roads are further extended by the development of 250 km of radial roads in and around the Chennai metropolitan area (CMA).

The Tamil Nadu Vision 2023 aims to achieve a GSDP growth of 11% per annum at a sustained pace for the upcoming years. Vision 2023 will focus on developing an array of projects to strengthen the state's infrastructure. The state is increasingly becoming the destination for start-ups in SaaS. The emergence of NH-4, large sized SEZs and IT parks have spurred commercial real estate demand in the city.

Existing infrastructure

Existing Project	Completion timeline	Details	Key impact zones
Outer Ring Road (ORR), officially State Highway 234	Feb 2021	Along the periphery of Chennai metropolitan area. It's a 62 Km stretch connecting GST Road at Perungalathur, and Vandalur, NH 48 (GWT Road) at Nazarethpettai, NH 716 (CTH Road) at Pattabiram to NH 16 (GNT Road) at Vijayanaallur and to TPP road at Minjur.	PBD GST, South West
The Inner Ring Road (IRR), also known as Jawaharlal Nehru Salai or 100-Feet road	Feb 2021	It is 25.2 km long connecting SH 49A (Rajiv Gandhi Salai) in Tiruvanmiyur, Velachery main road at Vijayanagar, NH 32 (GST road) at Kathipara, NH 4 at Koyambedu, NH 205 at Padi, NH 5 at Madhavaram and joins SH 104 (TPP Road) at Manali. The IRR is a 6-lane road.	CBD, South West, SBD OMR, PBD OMR
Chennai –Trichy Highway/Grand Southern Trunk Road or National Highway 45	Feb 2021	The Road starts from Kathipara Junction in St Thomas Mount, Chennai towards Tiruchirappalli. It's a 460 Km road. The highway has a 4 lane. The Chennai International Airport is located on this highway within the Chennai City limits.	South West, PBD GST, PBD OMR
Chennai-Kolkata NH 16	May 2013	NH 16 has a total length of 1,764 km of which 43 Km pass through Tamil nadu. It connects Andhra Pradesh, Telangana and further northern states to the Chennai port.	CBD, PBD WEST
Chennai-Bengaluru Highway/ NH 48	May 2013	It's a 326 KM stretch between Chennai and Bengaluru. 4 lanes in the stretch between Sriperumbudur and walajah road and six lanes between walajah-Bengaluru and Koyembedu and Sriperumbudur stretch	CBD, South West, PBD GST

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Upcoming Infrastructure

The upcoming Bengaluru–Chennai Expressway will not only reduce travel time between the two cities by two to three hours, but it is also anticipated to trigger real estate growth in key micro-markets falling along the corridor. A total of INR 200 billion has been sanctioned for successful completion of the project by the Government of Tamil Nadu. The state government has prioritised mega projects like upgrading the state's major roads, the ultra-mega power plant project in Uppur and the Madurai-Thoothukudi Industrial Corridor in par with the need

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The map illustrates the proposed Chennai Bypass and Orr Phase I & II roads. Key features include:

- Chennai Bypass:** A red line representing the proposed bypass route.
- Orr Phase I & II:** Blue lines representing the proposed Orr Phase I and II roads.
- NH 16, NH 205, NH 48, NH 45:** National Highway numbers highlighted in yellow.
- Chennai International Airport:** Marked with an airplane icon.
- Directions:** Arrows pointing towards Arakkonam, Bengaluru, and Tiruppur.
- Scale:** A scale bar indicating 0 to 6 km.

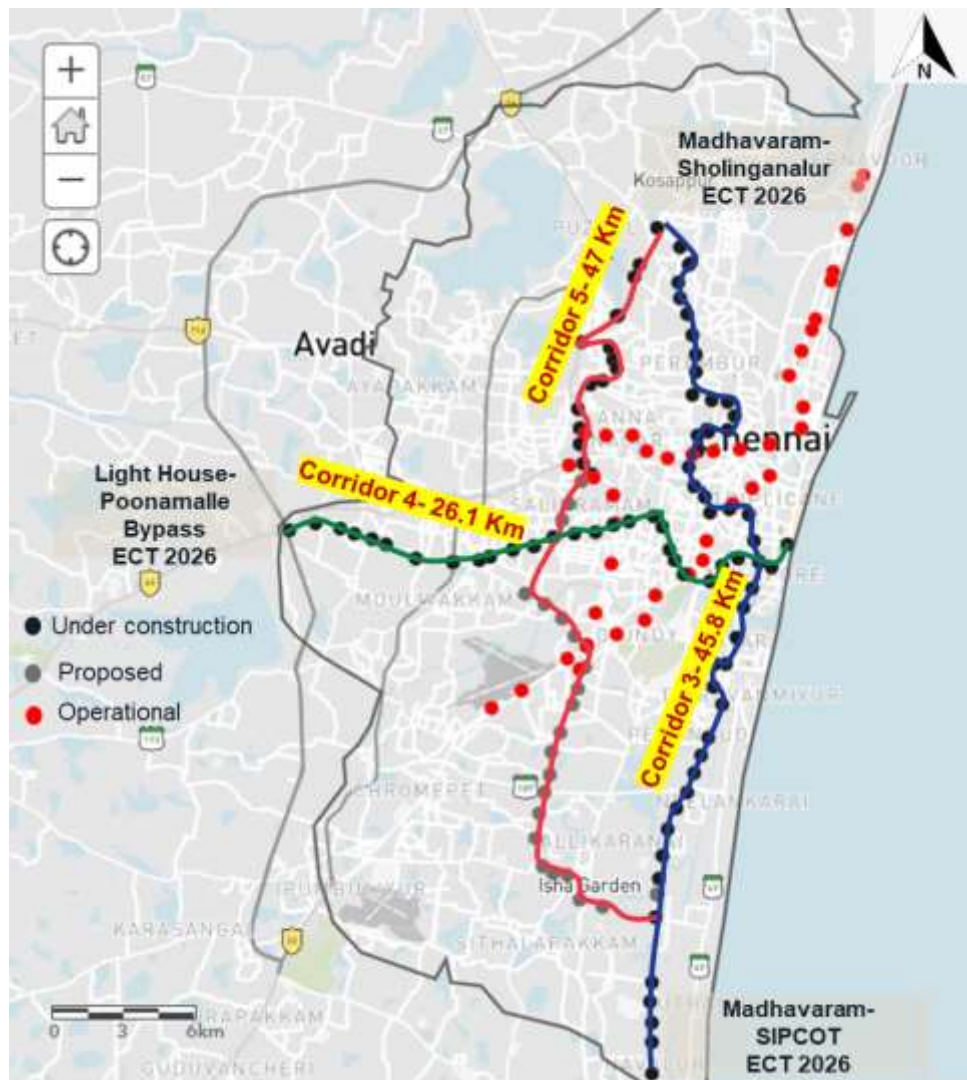
Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Chennai Metro Rail Phase 1 is fully operational with coverage of 45.1 km and 32 stations. Since the announcement of the Metro Rail Project in 2009, Chennai's real estate witnessed a boost along its corridors. Phase II of this project traverses 118.9 km of the city with 128 stations and will be fully operational by 2026. Construction work for Phase II commenced in the last quarter of 2020. The total cost of the project is INR 691 billion, funded in part by the Government of Tamil Nadu (INR 31 billion), with the rest funded by Asian Infrastructure Investment Bank (AIIB) in the form of a long-term loan for completion down to the last mile. Other projects, such as major flyovers, upcoming link roads and ring roads (planned or under-construction), have opened up new land parcels for commercial and residential developments in Chennai.

Upcoming Metro Rail Lines

Project	Completion timeline	Details	Key impact zones
Corridor 3	2026	45.8 Km- Stretch connecting Madhavaram and SIPCOT (Purple line) The line will consist of 50 stations, out of which 30 are underground and 20 are elevated.	CBD, SBD OMR, PBD OMR
Corridor 4	2026	26.1 Km –Stretch connecting Light house to Poonamalle Bypass (Orange line) The line will consist of 30 stations, out of which 12 are underground and 18 are elevated.	CBD, South West
Corridor 5	2026	47 Km- stretch connecting Madhavaram to Sholinganalur (Red line) The line will consist of 48 stations, out of which 6 are underground, 1 at grade and 41 are elevated.	PTR, South West, SBD OMR, PBD WEST

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

6.4 CHENNAI - OFFICE SUB MARKETS

The office sub-markets of Chennai City are classified into six micro markets based on the market trend as mentioned below.

Sub-market	Locations	Map of Chennai office market
CBD	Anna Salai, Cathedral Road, NH Road junction, RK Salai, RA Puram, Santhome, MRC Nagar, Egmore, T Nagar, Alwarpet.	
Southwest	Guindy, Mount Poonamalle Road, Anna Nagar, Velachery, Vadapalani, LB Road, SP Road, Adyar and Nelson Manickam Road.	
SBD OMR	Pre-toll Old Mahabalipuram Road	
PBD OMR	Post-toll Old Mahabalipuram Road and Pallavaram-Thoraipakkam Road (PTR)	
PBD GST	GST Road	
PBD West	Ambattur	

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

City Market Trends

Sub-Market	Total Stock (sq. ft.)	Net Absorption (sq. ft.)			Vacancy (%)		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
Overall	70,077,961	604,644	-51.2%	-49.9%	10.7%	0 bps	30 bps
CBD	7,408,724	0	NA	NA	2.7%	0 bps	-30 bps
South West	18,995,137	224,093	159.8%	-66.6%	14.8%	-120 bps	-220 bps
SBD OMR	18,744,902	-407,447	14.2%	-306.6%	7.4%	220 bps	630 bps
PBD OMR	16,508,783	787,998	-27.7%	734.6%	10.8%	-110 bps	-250 bps
PBD GST	4,137,546	0	NA	NA	24.6%	0 bps	-140 bps
PBD West	4,282,869	0	NA	NA	6.8%	0 bps	-310 bps

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023



Leasing Activity

The resurgence in the office real estate market in the city started off in 2022 and Q1 2023 sustained the traction with 1.25 million sq ft of gross leasing volumes. Sluggish decision-making due to global headwinds saw some deal deferments even as growth plans are being revisited in terms of phasing, though the plans themselves remain intact. With the rising number of employees working from office, occupier plans are on firmer ground from a hybrid working strategy perspective. The net absorption in the city was recorded 0.6 million sq ft and is expected to remain on an upward trend, with good pre-commitments in upcoming projects, and expansion plans of companies are intact with a greater return to office percentage of employees.

The annual net absorption in 2022 reached 3.5 million sq ft, which is the highest annual net absorption in the post pandemic real estate scenario of the city. Q1 2023 was led by both fresh leases and churns. Prominent coworking operators continue to expand in the city, taking up new standalone buildings in the South West and SBD OMR submarkets. Despite global market headwinds, developers are optimistic about the market with the onset of the return-to-work policy and the favourable ecosystem incubated by the state government to promote business and attract MNCs to the city through policies like the Startup and Innovation Policy, the Data Centre Policy of Tamil Nadu, The Micro, Small and Medium Enterprise (MSME) Policy, etc.

The Southwest and SBD OMR submarkets continued to drive the market traction, contributing 85% of the leasing activity cumulatively. IT/ITeS, Engineering and manufacturing sector and Coworking operators continued to be the key space takers in the city. Co-working spaces saw sustained demand from both large and medium sized IT companies with improved focus on employee wellbeing. The Southwest sub-market is a prominent destination for flex operators due to factors like good connectivity and limited availability driving the need for fully-managed solutions. Occupiers are showing more interest in managed spaces due to the flexibility in lease terms, customised solutions and ease of operation offered in a flex setup. The sector recorded 19% of the leasing activity in the quarter and, on average, accounts to 14% of the leasing activity every quarter. Almost 2300 seats were leased by flex operators in 1Q23. The demand for both conventional and flex space will continue to sustain the city's office real estate market.

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The quarter recorded 0.7 million sq ft of new Grade A Office supply. The pre-commitment rate for the new completion stood at 100%. The prominent sub-markets continued to operate at high occupancy. The South West sub-market, especially in Guindy, the demand traction can be attributed to its strategic location, accessibility and supply that aligns with demand. This market is on focus for flex space leasing, as startups and medium sized IT companies go for smaller floor plates and flexibility in lease terms over hassles of conventional office setup. The vacancy in the sub-market dropped to 14.8% in the quarter, nearly 100 bps down q-o-q, indicating the undeterred appetite for office spaces in this market.

Of the established sub-markets, SBD OMR (27%) and South West (27%) comprise 54% of the Grade A Office stock, while the emerging sub-market, PBD OMR accounts for 24% of the city's Grade A Office stock.

Vacancy

The new supply infusion of 0.7 million sq ft with 100% pre-commitment level stabilised the vacancy level in the city at 10.7%, marking only marginal increase q-o-q. Exits from MNCs like Amazon and Genpact pushed Vacancy level in SBD OMR to 7.4%. The overall vacancy rate in the quarter rose 3 bps to reach 10.7% q-o-q. CBD and SBD OMR have tight vacancy levels of 2.7% and 7.4%, respectively. The demand-supply gap stood steady; however, it might marginally widen in the upcoming quarters owing to strong supply pipeline.

Submarket Rents

The overall rental growth in the city is 4.7% y-o-y attributed by quality completions quoting higher rentals, and reinstated confidence in developers in commanding higher rentals due to sustained demand. As of now, developers are optimistic about the market and rent growth in the city.

New supply

The quarter recorded 0.7 million sq ft addition to city's stock from KRC Commerzone 2 Block 2 along PTR road which is the growth corridor of the city. The total Office space stock in Chennai now stands at 70.07 million sq ft. The supply pipeline looks healthy supported by developers bringing in quality projects to aid the low vacancy levels in key submarkets like CBD and SBD OMR.

Outlook

The supply pipeline for the upcoming quarters looks healthy, with about 5.7 million sq ft of stock lined for completion in 2023, nearly 21% of which is already pre-committed. The upcoming supply in the year is largely concentrated in the SBD OMR market, with projects like DLF Downtown and Olympia crest and Pinnacle in pipeline. Supply in the medium-term is headlined by PBD OMR, with some quality additions in SBD OMR and South West as well.

The demand-supply pattern in the medium-term is expected to remain robust, with a sustained demand from IT sector and Manufacturing and Automobile industries. The vacancy levels might inch up gradually on account of supply infusion, however, the vacancy rate in prime sub-markets is anticipated to remain stable with robust demand-supply dynamics.

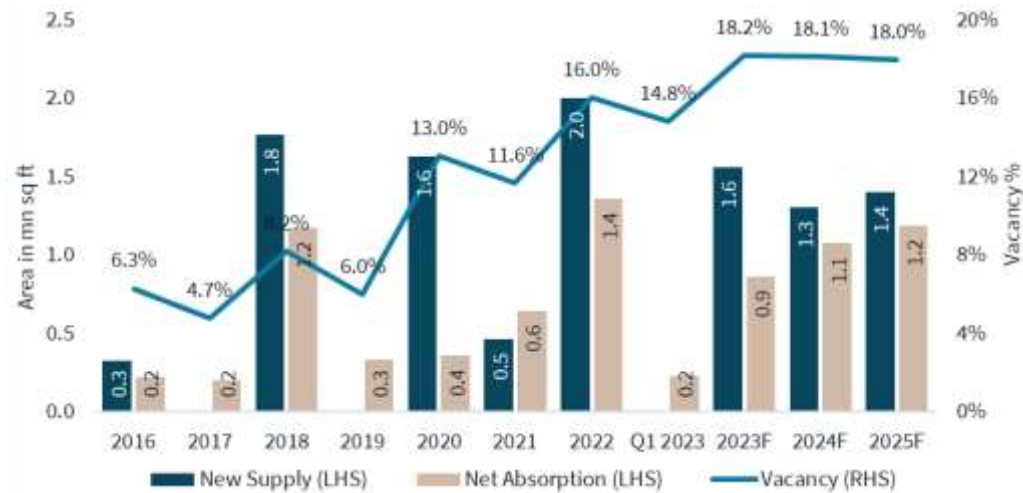
Upcoming quality supply may command premium rents and help in the recovery of rents in the city. In the near-term, rents are expected to inch up 1-2% on average, backed by pre-commitments, floating RFPs and new quality completions, particularly in the PBD OMR sub-market. Developers are trying to close deals at existing rents but are offering flexibility in rent-free periods and other offers.

6.5 MICRO MARKET : SOUTHWEST

The Commerzone project lies in the Southwest micro market.

Supply, Demand Trend

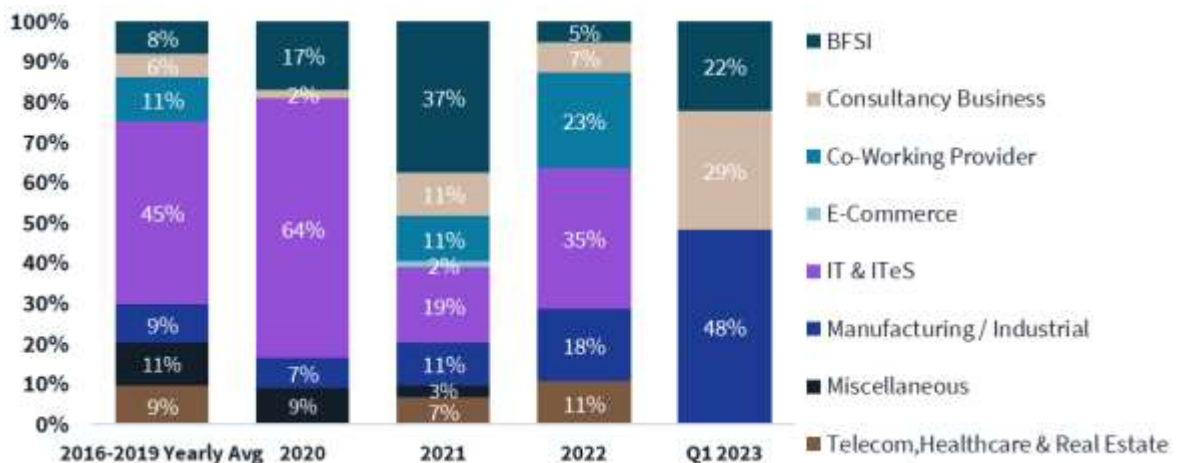
Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Net absorption in the South West sub-market was 224,093 sq ft, recording 160% uptick in space take-up q-o-q. Co-working providers were the key space takers in the quarter's leasing activity in this sub-market. Co-working spaces sustained demand from smaller IT companies with improved focus on employee wellbeing. The demand in the submarket is driven by good accessibility and building stock with smaller floor plates, which is favourable for start-ups. Co-working providers also continue to expand in the sub-market on account of occupiers showing interest in managed setups due to the flexibility in lease terms, customised solutions and ease of operations.

Supply

No completions were recorded in the quarter in the South-west submarket with Grade A stock standing at 18.9 mn sq ft. Olympia Cyberspace and SKCL Prime is lined up to come on stream

in Q2 2023. Projects from prominent developers, such as L&T and ASV Construction, are in the pipeline and expected to hit the market in the medium term.

Vacancy

The vacancy level in this sub-market dropped nearly 120 bps q-o-q and stands at 14.8%. The Olympia Cyberspace project will add 1.1 million sq ft to the stock. The project is getting enquiries from occupiers; however, the strong pipeline might lead to some gradual escalation in vacancy. However, the strong demand-supply dynamics showed by the sub-market gives a positive outlook for the market in the medium-term.

Rents

It is observed the rental values for commercial / office space in the immediate surroundings in the micro market (Porur, Manapakkam locations) varies between INR 62 - 75 per sq. ft. per month as per the leases transacted during the year 2022. The asking instances are upwards at INR 70 - 80 per sq. ft. per month. The CAGR of rental growth is recorded at 4.3% in last 7 years (2016-2022). The weighted average rent in the micro market is INR 70 per sq. ft. per month currently. Considering the demand from occupiers, influx of Grade A supply from reputed developers and increased rent in Grade A buildings in the micro market, we foresee the rental growth to hit 5% in coming years.

Rental Trend in Southwest micro market



Mindspace REIT micro markets, 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.

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Prominent Lease Transactions within the Micro-Market

Below are some of the lease transactions witnessed in the micro-market

Table 6.1: Major Lease Transactions in the Micro-Market of the Project

Sl. No.	Occupier Name	Name of the Building	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
1	Kumaran Systems	Olympia Tech Park	Guindy	14,000	78-80	Q1 2022
3	Indiqube	SKCL Excellence	Guindy	37,800	68-70	Q1 2022
4	M2P Solutions Pvt Ltd	Olympia Quest	Guindy	50,000	68-70	Q2 2022
5	Murugappa Group	Olympia Terraces	Guindy	20,000	68-70	Q2 2022
7	Indiqube	Ocean Bay	Guindy	85,000	68-70	Q2 2022
8	Saama Tech	Olympia Tech Park	Guindy	14,500	78-80	Q2 2022

Sl. No.	Occupier Name	Name of the Building	Location	Area Leased (sq. ft.)	Lease Rental Range (INR per sq. ft. per Month)	Transacted Period
9	The Executive Centre	Olympia Tech Park	Guindy	29,281	78-80	Q4 2022
10	WorkEZ	Ennar Building (RV Chambers)	Guindy	23,540	68-70	Q3 2022
11	Xpitax Solutions	RR Tower 1	Guindy	10,000	59-62	1Q 2023
12	Qway Technologies	RR Tower 3	Guindy	18,000	63-66	1Q 2023
13	Maersk	RMZ One Paramount	MPR	136,900	61-64	Q1 2022
14	Wabco (ZF)	DLF Cybercity	MPR	115,000	70-73	Q1 2022
15	Vmware	RMZ One Paramount	MPR	36,000	65-68	Q2 2022
16	Ladera	DLF Cybercity	MPR	20,024	70-73	Q3 2022
17	Prochant	DLF Cybercity	MPR	22,433	70-73	Q4 2022
20	Infovision	RMZ One Paramount	MPR	23,000	68-70	Q1 2023
21	Verve Financial	RR IT Park Tower 4	Guindy	9,500	54-56	Q1 2022
22	Legacy Health	Ceebros Shyamala Towers	Saligramam	29,000	55-57	Q2 2022
23	Bthink	Temple Steps	Little Mount	5,500	53-55	Q3 2022

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

The lease transactions in the micro market are recorded in the range of INR 50 – 80 per sq. ft. per month. The lease transactions in MPR location where the Project is located are in the range of INR 60 to 73 per sq. ft per month. Market rent for Commerzone Porur Project has been considered in line with the achievable market rent for completed buildings at INR 63 per sq. ft per month.

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within the country

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6.2: List of transactions / deals in major cities recent past

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% – 9.50%	2021

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021
9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Project Site is **Commerzone IT Park** which is one of the known developments for IT/ITeS companies located in the Southwest Micro-Market at Porur in Chennai City. The Project is a part of **Mindspace Business Parks REIT** (Mindspace REIT) portfolio. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A space spread across two blocks with good amenities and facilities. There are prominent clients in the larger campus such as HDFC, Hitachi, Simpliwork, R1 RCM, Ramboll, NPCI etc., and is preferred commercial development in this micro-market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the Project is 8.00%.

Outlook

The South West submarket is set to witness an additional supply of 1.56 million sq ft by the end of 2023. BNR metrozone which is lined up completion in 2023, is fully leased by a co-working operator. Net absorption is expected to touch 1 million sq ft by end-2023. The sub-market continues to enjoy active demand from co-working providers and IT/ITeS occupiers. The popularity of this sub-market among occupiers can be attributed to its proximity to multi-modal transit options and the CBD, as well as the quality supply.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10 year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project has been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimate 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 lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the table below:

Table 7.1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.3 CONSTRUCTION TIMELINES

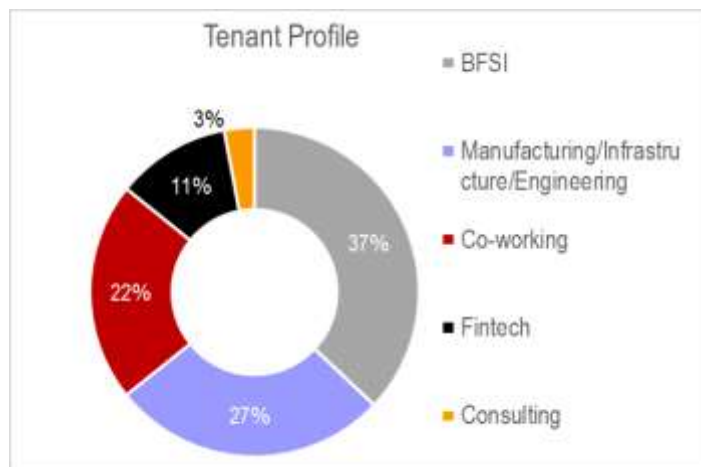
The project has received full occupancy certificate.

However, there are certain balance payments and Fit-out cost to be incurred to the tune of INR 665 Mn which shall be paid by Q3 FY24.

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows:-

- ~37% of the space is occupied by BFSI and ~27% of the space by Manufacturing/Engineering
- Co-working has taken up ~22% of the space followed by Fintech (~11%)
- Only 3% of the space is taken by consulting firm



Source: Analysis, 31 Mar 2023

7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7.2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31 March 2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31 March 2033	As per workings
Asset Details		
Total Leasable Area	883,663 sq. ft.	As per the information provided by the Client
Leased Area	826,491 sq. ft.	As per the information provided by the Client
Vacant Area / Vacancy	57,172 sq. ft./ 6.5%	As per the information provided by the Client
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects. .
Area to be Leased	57,172 sq. ft.	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market
Rent Free Period for New Leases	3 months	As prevalent in the micro-market
Total No. of Car Parking Spaces	851	As per the information provided by the Client
No. of Car Parking Spaces Leased	83	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases i.e. 15% every 3 years and 5% every year	As prevalent in the market it is observed that lease agreements are primarily at 15% rent escalations every 3 years.
Market / Marginal Rent - Office	INR 63 per sq. ft. per month	The lease transactions in Grade A office space in the said micro market are recorded in the range of INR 60 – 75 per sq. ft. per month during 2022. The asking instances are observed in the range of INR 70 – 80 per sq. ft. per month. Please refer table 6.1 and 6.3 Based on the market benchmarking of recent leases on aspects such as

Parameters	Assumptions / Inputs	Remarks / Basis
		location, size of transaction, type of development etc. the achievable rent for the Project is derived.
Market / Marginal Rent - Amenities	Not Applicable	-
Market Rent - Car Parking Space	INR 2,500 per sq. ft. per month	The Grade A office offers car parking rates in the range of INR 1,500 – 3,000 per slot per month. Based on the market benchmarking of recent leased rates within the micro-market, the achievable car park rate for the Project is derived.
Market / Marginal Rent - Food Court	Not Applicable	-
Market / Marginal Rent - Kiosk	Not Applicable	-
Market / Marginal Rent - Terrace	Not Applicable	-
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Market Rent Growth from FY 2024-25	5.00%	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5.0% per annum for the Project
Parking Rent Growth from FY 2024-25	5.0%	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5.0% per annum for the Project
Lease Tenure	9 years	As prevalent in the market
Market Escalation	5.0% per annum	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76.0% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 12.4 per sq. ft. per month	As provided by Client and in-line with market trend. It is understood that owner's share of area would also be maintained by Horizonview

Parameters	Assumptions / Inputs	Remarks / Basis
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	~INR 7.5 per sq. ft. per month	Being a newly constructed project and a modern Grade A building, we foresee the current expenses to be low in the Project with higher margin until the expiry of current contractual agreements. We expect the CAM margins to remain at current levels of ~INR 5 psf pm for the contracted period. Post expiry of expiry of contracted period, the margin is expected to revert to market standard.
Property Tax	~INR 36.6 per sq. ft. per month	As provided by the Client
Insurance	~INR 4.2 per sq. ft. per month	As provided by the Client
Cost Escalation	3.0%	As prevalent in the market
CAM Escalation	5.0%	As prevalent in the market
Other Assumptions		
Transaction Cost on Sale	1.0%	As prevalent in the market. This is to be incurred towards brokerage and transaction cost
Other Operating Expenses	2.0% of Base Rent + Car Parking Charges	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor 11.75%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.00% (post yield shrinkage). Capitalized based on the net cash flows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is as follows:

Table 7.3: Market Value of the Project

Component	Leasable Area (sq. ft.)	Market Value (INR Million)	Percentage Share
Commercial / Office Space - Completed	883,663	8,205.23	100%
Ready Reckoner Rate			

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the Entire Campus

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project comprising total leasable area of 883,663 sq. ft. (Mindspace REIT Share) of Project Commerzone (Block A & B), located in Porur, Chennai, Tamil Nadu, India, 600116, is estimated to be - **INR 8,205.23 million (INR Eight Billion Two Hundred Five Million Two Hundred Thirty Thousand Only)**

Note: The valuation presented is for Mindspace REIT interest in the project only.

Table 7.4 Ready Reckoner Rates of the Project

Component	Ready Reckoner Rate (INR per sq. ft.)
Land Area (Open Plot)	3,886

Note: The mentioned guideline value is as on 31 Mar 2023

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

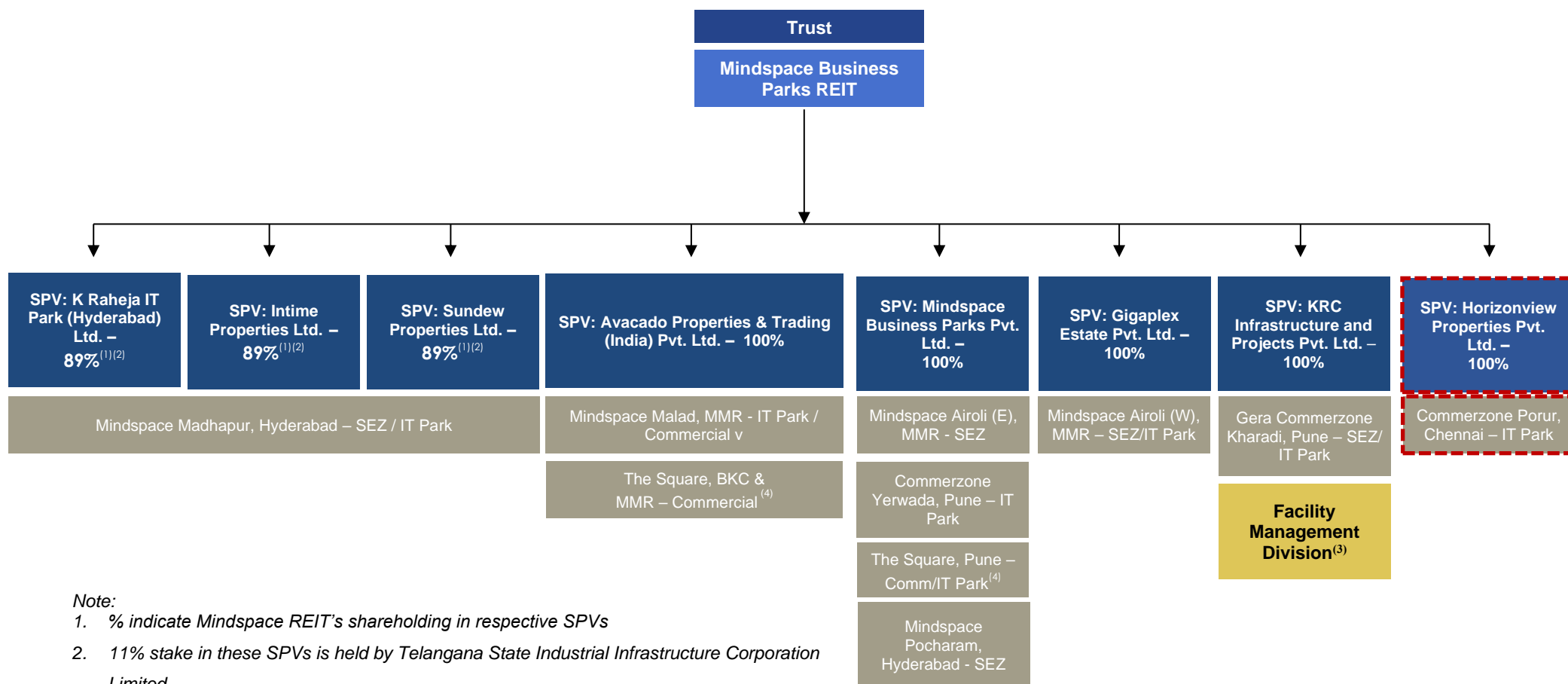
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.

Annexure - 2 Layout Plan of the Project



Annexure - 3
Statement of Key Assets within the Project

Complex	Name	CZ Porur	CZ Porur
Building	No. / Name	A	B
Floor	Nos	3B+GF+9F	3B+GF+9F
Warm Shell / Bare shell		Warm Shell	Warm Shell
Air Cooled Chiller	TR	2 x 250	2 x 300
Water Cooled Chiller	TR	2 x 500	2 x 600
No of DG / Capacity	No. / KVA	4 x 1750	4 x 2000
No of Transformers / Capacity	No./ KVA	2 x 2500	3 x 2000
Booster Pump	KW / Make	1 x 900 LPM	1 x 900 LPM
Jockey Pump	KW / Make	2 x 180 LPM	2 x 180 LPM
Fire Diesel Pump	KW / Make	1 x 2850 LPM	1 x 2850 LPM
Hydrant Pump	KW / Make	1 x 2850 LPM	1 x 2850 LPM
Sprinkle Pump	KW / Make	1 x 2850 LPM	1 x 2850 LPM
STP Rating	KLD	370	

Annexure - 4

Approvals and NOCs Received for the Project

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

A. APPROVALS RECEIVED

Pre-Construction

- Approval from ELCOT
- Building Permit
- Planning Permit
- Height clearance NOC from AAI
- Fire NOC
- Traffic NOC
- IAF NOC
- CMWSSB NOC for Water and STP
- Environmental Clearance
- CTE Air and Water
- Mines Approval
- HSD NOC (Diesel Storage)

Post-Construction

- Completion Certificate
- Lift License
- HSD License (post NOC)
- Power Connection
- Chief Electrical Inspector General Approval (CEIG)
- Fire License
- Consent to Operate (CTO)

Periodic Clearances

- TNPCB Monthly Submission Form 1
- MOEF, SEIA and TNPCB Six monthly Compliance Report and Annual Report

Approvals Pending

- None

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Guideline Value from 2017 – 31 March 2023

GUIDELINE VALUE & PROPERTY VALUATION

Guideline Value relating to 2.19 lakh streets and over 4.46 Crores Survey Numbers/Subdivision numbers are available on this site for query. For Property Valuation, Click on the Street Name from the Street List, where the property is located.

From: 9-0-2017 To: 31-3-2023

Search Criteria :

Zone:	Chennai	Sub Registrar Office:	Kannathur
Guideline Village:	PORUR	Revenue Village:	PORUR
Revenue District:	CHENNAI	Revenue Taluk:	MADRURAIYAL

Below Search results are as on 19-Apr-2023 01:57 PM

47 items found, displaying 41 to 47. [Footnote] 1, 2, 3, 4, 5 [Next Last]

Sr. No.	Street Name	Guideline Value (F) (British Value)	Guideline Value (F) (Metric Value)	Land Classification	Effective Start Date	G.O. Download
41	MOORTHY AVENUE 1ST STREET	2412 Square Feet	25970 Square Metre	Residential Special Type - I	28-Jan-2018	-
42	MOORTHY AVENUE 2ND STREET	2412 Square Feet	25970 Square Metre	Residential Special Type - I	28-Jan-2018	-
43	MOORTHY AVENUE 3RD STREET	2412 Square Feet	25970 Square Metre	Residential Special Type - I	28-Jan-2018	-
44	MOUNT PHOENIX SALU	3685 Square Feet	41650 Square Metre	Commercial Class I Type - I	-	-

Guideline Value as on 1 Apr 2023

GUIDELINE VALUE & PROPERTY VALUATION

Guideline Value relating to 2.19 lakh streets and over 4.46 Crores Survey Numbers/Subdivision numbers are available on this site for query. For Property Valuation, Click on the Street Name from the Street List, where the property is located.

From: 1-4-2023 To: Current Date

Search Criteria :

Zone:	Chennai	Sub Registrar Office:	Kannathur
Guideline Village:	PORUR	Revenue Village:	PORUR
Revenue District:	CHENNAI	Revenue Taluk:	MADRURAIYAL

Below Search results are as on 19-Apr-2023 02:02 PM

47 items found, displaying 41 to 47. [Footnote] 1, 2, 3, 4, 5 [Next Last]

Sr. No.	Street Name	Guideline Value (F) (British Value)	Guideline Value (F) (Metric Value)	Land Classification	Effective Start Date	G.O. Download
41	MOORTHY AVENUE 2ND STREET	3600 Square Feet	38750 Square Metre	Residential Special Type - I	01-Apr-2023	-
42	MOORTHY AVENUE 3RD STREET	3600 Square Feet	38750 Square Metre	Residential Special Type - I	01-Apr-2023	-
43	MOUNT PHOENIX SALU	5800 Square Feet	62430 Square Metre	Commercial Class I Type - I	01-Apr-2023	-

Source: Registration Department, Govt. of Tamil Nadu

Annexure - 6

Discounted Cash Flow Profile

		1-Apr-22	1-Apr-23	1-Apr-24	1-Apr-25	1-Apr-26	1-Apr-27	1-Apr-28	1-Apr-29	1-Apr-30	1-Apr-31	1-Apr-32	1-Apr-33
		31-Mar-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	31-Mar-33	31-Mar-34
Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred (incl Fitout)		664.89	-	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		458.38	598.09	642.85	698.24	711.82	736.68	788.38	797.36	794.36	848.03	1,002.73
B	Car Parking Income		1.65	1.99	2.04	2.36	2.40	2.48	2.79	3.32	4.51	11.32	11.41
C	Fit-out rentals/ tenant improvements		133.48	177.98	177.98	177.98	177.98	177.98	44.49	-	-	-	-
D	Facility Rentals		593.52	778.05	822.86	878.58	892.20	917.13	835.66	800.67	798.87	859.35	1,014.14
E	Maintenance services income		113.08	165.39	165.39	165.39	165.39	163.95	165.67	167.12	165.46	168.00	210.53
F	Other Operating Income		4.58	5.98	6.43	6.98	7.12	7.37	7.88	7.97	7.94	8.48	10.03
G	Revenue from Operations		711.18	949.43	994.69	1,050.96	1,064.72	1,088.45	1,009.22	975.77	972.27	1,035.83	1,234.69
	Direct Operating Expenses												
H	Maintenance services Expenses		86.44	100.59	100.59	100.59	100.59	101.32	103.15	104.44	109.91	126.08	148.59
I	Property Tax		33.36	34.36	35.39	36.45	37.55	38.67	39.83	41.03	42.26	43.53	44.83
J	Insurance Premium		3.80	3.92	4.04	4.16	4.28	4.41	4.54	4.68	4.82	4.96	5.11
K	Net Operating Income (NOI)		587.58	810.56	854.67	909.75	922.30	944.04	861.70	825.62	815.29	861.26	1,036.15
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	12,822.40	-
	Indirect Operating Expenses												
L	Brokerage Fees		7.20	-	-	-	-	5.45	3.55	2.15	24.71	32.60	-
M	Property Management Fee		20.93	27.44	29.03	30.99	31.48	32.36	29.52	28.30	28.24	30.37	35.85
N	Other operational expenses		9.20	12.00	12.90	14.01	14.28	14.78	15.82	16.01	15.98	17.19	20.28
O	Net Cash Flows		(114.64)	771.12	812.74	864.75	876.53	891.45	812.80	779.16	746.36	13,603.50	980.02

Annexure - 7

Material Litigations

1. Title litigation and irregularities

An enquiry notice was issued by District Revenue Officer, Thiruvallur (“**DRO**”) and Additional District Judge to W.S. Industries (India) Limited (“**WSIL**”), an erstwhile owner of a land parcel admeasuring approximately 46.04 acres (“**Suit Land**”) of which a portion admeasuring approximately 6.16 acres was acquired by RPIL. RPIL has granted development rights to Horizonview over such land in relation to the Commerzone Porur project. Horizonview is not a party to the proceedings.

The DRO issued an enquiry notice dated May 25, 2017 (“**Notice**”) to WSIL calling for an enquiry to be conducted before the District Revenue Officer cum Additional District Judge at the District Collector Office on the basis of a complaint presented by P. Jeyapal S/o R. Perumalsamy (“**Jeyapal**”) alleging that land have been handed over to WSIL on certain conditions, and instead of using the land for common purpose, WSIL has been using the land for commercial purpose. Aggrieved, WSIL has filed a writ petition before the Madras High Court against the DRO and Jeyapal, seeking directions for quashing the Notice. The Madras High Court, by its order dated June 5, 2017, has granted interim stay on proceedings under the Notice. The matter is currently pending before the Madras High Court. The matter has been disposed of by the Madras High Court by an order dated February 1, 2023, wherein it was noted that the Government had ratified the action of WSIL to use the lands for IT/ITES and therefore the impugned Notice has consequently become infructuous. Taking the same on record, the writ petition was closed.

Based on legal advice received, the following documents granting development rights in favour of Horizonview for the purposes of constructing an IT Park, have not been registered:

- a. The development agreement, dated November 7, 2006, executed by RPIL, the owner of the land and Horizonview (“Development Agreement”);
- b. The award dated March 22, 2016, passed by the arbitrator in relation to disputes between RPIL and Horizonview in relation to the Development Agreement (“Award”);
- c. The letter dated May 18, 2017 executed between RPIL and Horizonview; and
- d. The written arrangement dated February 20, 2019, executed by RPIL and Horizonview modifying the terms of the Development Agreement and the Award.

2. Criminal matters

There are no pending criminal matters against Horizonview.

3. Regulatory actions

There are no other pending regulatory actions against Horizonview.

4. Material civil/commercial litigation

There are no material civil/commercial litigation involving Horizonview.

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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

Mindspace Pocharam, Hyderabad

Telangana, India

Submitted To:

K. Raheja Corp. Investment Managers LLP

(acting as Manager to Mindspace Business Parks REIT)

Date of Valuation:

31-Mar-2023

Date of Report:

29-April-2023



Prepared By:

KZEN VALTECH PRIVATE LIMITED

IBBI/RV-E/05/2022/164

EXECUTIVE SUMMARY

Property Name Mindspace Pocharam, Hyderabad – SEZ

Property Address Mindspace, TSIC software layout, Hyderabad, Telangana, 500081

Land Area ~66.46 Acres

Brief Description The Project is located in the eastern part of Hyderabad at Pocharam, in Suburb-Others micro market. It is located ~1.3 km off Hyderabad - Warangal Highway and is accessible through 24m wide road. It is at a distance of about ~15 km and ~ 41 km from Uppal and Hyderabad International Airport respectively.

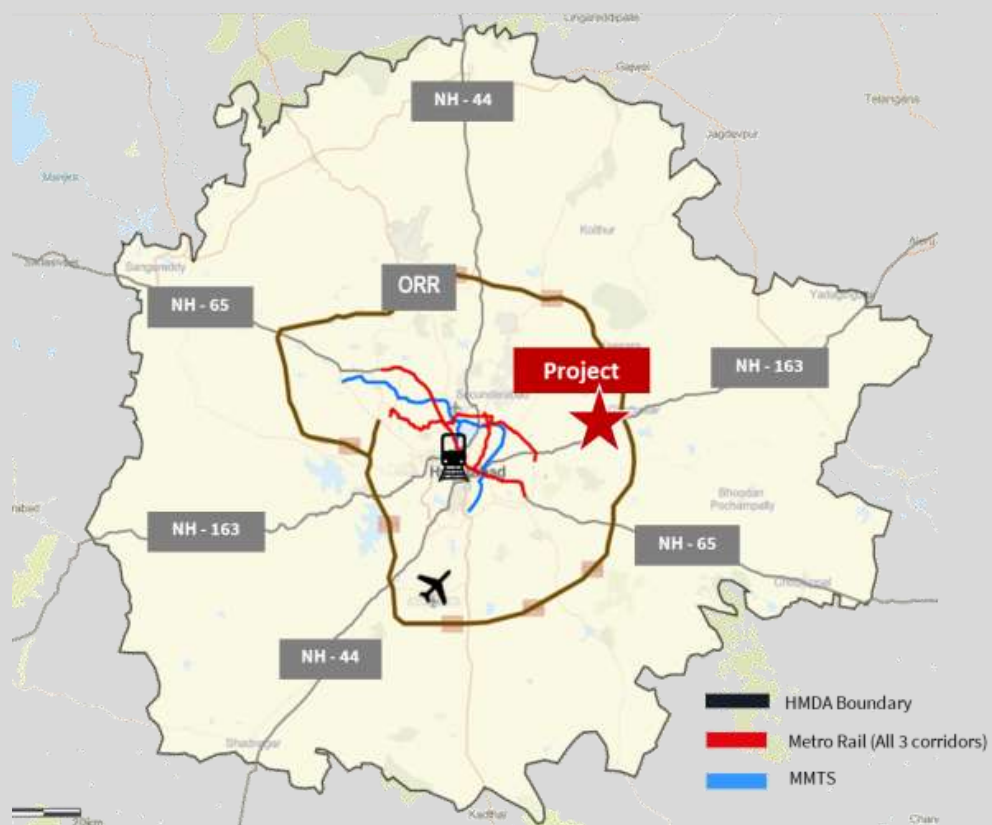
The Project is developed as IT Park with ~ 0.57 million sq. ft. of leasable area spread across two buildings (Building 8 and 9) and the Project has ~ 19 acres of land earmarked for future development.

Asset Details Leasable area details as shared by the Client are given below:

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Building 8 (Completed)	377,422
2.	Building 9 (Completed)	192,681
Total Leasable Area		570,102

The Project has two buildings and ~ 19 acres of land earmarked with development potential of 429,897 sq. ft. leasable area. However, considering the dynamics & demand scenario of the micro-market and no immediate plans of future development, the Valuer has valued the same at prevailing land prices.

Location Map



Key Assumptions

The table below summarizes key valuation assumptions used in the estimate

Particulars	Description
Asset Specific Information	
Nature of Asset	Commercial / Office with Amenities
Current Status	Operational
Total Leasable Area	570,102 sq. ft.
Building Age / Operation	Building 8: 6 years and 8 months Building 9: 5 months
Revenue Assumptions	
In-Place Rent	INR 22 per sq. ft. per month
Market / Marginal Rent	INR 22 per sq. ft. per month
Parking Rent	NA
Financial Assumptions	
Exit Cap Rate	8.50 %
Discount Rate / WACC	12.25 %

Market Value

For Completed Project - **INR 1,740.27 million** (INR One Billion Seven Hundred Forty Million Two Hundred and Seventy Thousand Only)

Land earmarked for Future Development (~ 19 acres) - **INR 586.63 million** (Five Hundred Eighty-Six Million Six Hundred and Thirty Thousand Only)

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LIST OF ABBREVIATIONS

BPO	Business Process Outsourcing
CBD	Central Business District
DCR	Development Controls & Regulations
GHMC	Greater Hyderabad Municipal Corporation
HMDA	Hyderabad Metropolitan Development Authority
INR	Indian National Rupees
IT/ITES	Information Technology/IT enabled Services
IVSC	International Valuation Standards Committee
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
NH	National Highway
ORR	Outer Ring Road
PBD	Peripheral Business District
RICS	Royal Institution of Chartered Surveyors
SEBI	Securities and Exchange Board of India
SBD	Secondary Business District
SEZ	Special Economic Zone
sq. ft.	square feet
sq. m.	square metre
REIT	Real Estate Investment Trust
Y-o-Y	Year-on-Year

CONVERSION OF UNITS

1 acre	43559.66 sq. ft.
1 acre	4046.9 sq. m.
1 sq. m.	1.196 sq. yards
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yards
1 meter	3.28 ft.
1 cent	435.6 sq. ft.

1 INTRODUCTION

1.1 INSTRUCTIONS

K Raheja Corp. Investment Managers LLP (hereinafter referred to as the 'Client'), in its capacity as Manager of the Mindspace Business Parks REIT (Mindspace REIT), has appointed KZEN VALTECH PRIVATE LIMITED, Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") bearing registration no. IBBI/RV-E/05/2022/164 (hereinafter referred to as the 'Valuer') to carry out an independent estimate of Market Value of commercial / office properties located in Chennai, Hyderabad, Mumbai and Pune along with incidental or ancillary activities including a facility management business and power distribution facility, vide Engagement Letter dated 27 March 2023. The Client intends to seek independent estimate of Market Value for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange.

This Valuation Report has Market Value of a commercial / office project named '**Mindspace REIT**' located in **Pocharam, Hyderabad**, Telangana, India (hereinafter referred to as the 'Project'). The project is an IT Park having leasable area of about 0.57 million sq. ft. spread across two completed buildings and the project has ~ 19 acre of land earmarked for future development. As instructed by the Client and based on information provided, the following blocks/ buildings have been considered under the purview of this valuation exercise along with the land earmarked for future development.

Table 1-1: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Mindspace Pocharam – Building 8	377,422
2.	Mindspace Pocharam – Building 9	192,681
	Total Leasable Area	570,102

Source: Client, March 2023

1.2 PURPOSE OF VALUATION

The purpose of this valuation is to estimate the value of the Project as part of the portfolio of Mindspace REIT for the disclosure of valuation of assets, forming part of the portfolio of Mindspace REIT, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purpose.

In addition, other documents in relation to the regulatory filings such as publicity material, research reports, presentations and press releases will also be prepared, wherein copies, summary or extracts of the Valuation Report are intended to be included.

1.3 RELIANT PARTIES

The reliance on the Valuation Report prepared as part of this engagement is extended to the Manager, REIT and other parties including the trustee of REIT, debenture trustee(s), stock exchanges, unitholders of REIT, Securities and Exchange Board of India ('SEBI'), credit rating agencies, lenders of the REIT and/or its special purpose vehicles or any other person within or outside India as the Manager may deem fit for the purpose as highlighted in this report

(valuation). The Valuer, however, would extend no liability to such reliant parties save and except for gross and willful negligence.

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

1.4 VALUER'S CAPABILITY

KZEN VALTECH PRIVATE LIMITED, bearing Registered Valuer Entity number IBBI/RV-E/05/2022/164 with IBBI has been appointed as the Valuer for providing opinions on market value of the respective Subject Properties.

Mr. Sachin Gulaty, Director, KZEN VALTECH PRIVATE LIMITED, 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 13 August 2021. He qualified for the degree of Bachelor of Architecture from School of Planning and Architecture, New Delhi in 1997, and qualified for the degree of Master's in Planning with specialization in Urban Planning from School of Planning and Architecture, New Delhi in 2002. He, subsequently, undertook distance learning from SVKM's Narsee Monjee Institute of Management Studies ("NMIMS") Global Access – School for Continuing Education, qualified for the two-years Post Graduate Diploma in Banking & Financial Management and was awarded this Post Graduate Diploma in July 2018.

Mr. Gulaty has more than 26 years of experience, including one and a half years of post-graduate education, spread over domains of architecture, urban planning, urban infrastructure, real estate advisory, and real estate asset valuation. He was the National Head of Valuations for Jones Lang LaSalle Property Consultants (India) Private Limited ("JLL India"), a leading International Property Consulting firm in India, from 2010 to 2021. Prior to this role, Mr. Gulaty gained practical experience in providing architecture services, town and city planning, and research related to regulatory studies and urban governance covering urban infrastructure such as water supply, sanitation, solid waste management, and urban transport, among other aspects. In the early part of his career, he worked with renowned architectural services firm, Kuldip Singh & Associates, and The Energy and Resources Institute ("TERI"). His last employment was with JLL as Senior Director and National Head for Valuations.

As the National Head of Valuations at JLL India, he led numerous valuation exercises for multiple financial institutions, private equity/real estate funds, corporates, industrial houses, government departments, and developers across multiple real estate asset classes of commercial, retail, residential, industrial, healthcare, and hospitality, among others. Clientele served by him across his entire career till date, under various employments, includes Brookfield, GIC, Qatar Investment Authority, JP Morgan, BlackRock, CapitaLand, Citibank, Standard Chartered Bank, Yes Bank, Kotak Mahindra, Maruti Suzuki, Indiabulls, Dubai Port World, World Bank, DLF, RMZ, Shriram Properties, DIPAM, NHAI, NBCC, AAI, and RLDA, among others.

Mr. Gulaty, who carries IBBI Registration Number: IBBI/RV/02/2021/14284, is enrolled with the Institute of Valuers Registered Valuers Foundation ("IOVRVF"), is a Fellow of Royal Institution of Chartered Surveyors ("RICS"), Fellow and Lifetime Member of Institute of Valuers, India ("IOV"), admitted as an Arbitrator (India) on the RICS Panel of Dispute Resolvers & Expert Witnesses, and features in the global list of RICS Trained Assessors, has prepared and signed this report on behalf of RV-E.

1.5 INDEPENDENCE, CONFLICT OF INTEREST AND VALUER'S INTEREST

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the Project is concerned. The Valuer 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 Project in past five years from his engagement as the Valuer, except as valuer under the SEBI (REIT) Regulations, 2014.

The Valuer certifies that he/she does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Project (including the parties with whom the Client is dealing, including the lender or selling agent, if any) and accepts instructions to value the Project only from the Client.

1.6 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

This Valuation Report has been prepared on the basis of the assumptions within the instructions (Key Assumptions, Qualifications, limitations and Disclosures) detailed after this section 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 project 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.

1.7 INSPECTION OF THE PROJECT

The project was inspected on 02 April 2023 by the Valuer in the presence of client-nominated representative, and subsequently no site visits have been conducted. No measurement or building survey has been carried out as part of the valuation exercise. The Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct. Based on the discussions with the Client, it has been assumed that no material change in the condition of the property has taken place except for the progress of construction work in accordance with the information shared.

1.8 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 Project 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.

1.9 CONFIDENTIALITY

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

1.10 AUTHORITY

The 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 Section 1.2 herein. If Client desires to use the Report in any offering or other investment material for purpose other than as mentioned in the Section 1.2 herein, then (a) with Valuer will require, and the Client must provide or cause to be provided, an indemnification agreement in his favor, given by parties reasonably satisfactory to him, and (b) the Client will obtain his consent to the references in such materials to the Report.

1.11 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 engagement shall not exceed the professional indemnity insurance obtained by him. As on the date of this report, the professional indemnity insurance maintained by the Valuer is for Indian Rupees Fifty Million.

In the event that the Manager, the sponsors, the trustee, the REIT, or other intermediaries appointed by the Manager and / or REIT or its SPVs be subject to any claim ('Claim Parties') in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all such cases, the Manager, on behalf of the REIT, agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by them while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard.

The Valuer will neither be responsible for any legal due diligence, title search, and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls with any government departments/authorities, among other aspects., etc.

1.12 DISCLOSURE AND PUBLICATION

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

1.13 ANTI-BRIBERY AND ANTI-CORRUPTION

The Valuer represents, warrants and undertakes that:

The Valuer is 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.

KEY ASSUMPTIONS, QUALIFICATIONS, LIMITATIONS AND DISCLAIMERS

1.	Type of Estimate	The scope of the assignment covers only estimating Market Value of a specified property and not a business valuation for either the Client or any of their subsidiaries or associated companies, etc. The estimate is based on extent of data/information provided by the Client and estimate has limited coverage wherever full data/information is not made available by the Client.
2.	Legal Due-Diligence	Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
3.	Information Provided by the Client and Others	The Valuer has relied on the information provided by the Client and the same has been assumed to be correct and has been used in the estimate. Where it is stated that another party has supplied information to the Valuer, this information is believed to be reliable. The Valuer cannot accept any responsibility for accuracy and non-reliability of such information.
4.	Regulatory Due-Diligence	Regulatory due diligence is not part of scope of work for this assignment. In all likelihood, an independent legal agency would be covering this aspect, details of which can be obtained from the Client.
5.	Project Status, Schedule and Project Costing	Assessment of the Project Status and Schedule is based on the information provided by the Client and does not consider any unforeseeable developments which could impact the same in the future. The estimate <u>does account</u> for any capital expenses incurred by the Client on the existing and/or ongoing development works in the Project. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Client.
6.	Market Conditions and Trends	The Valuer has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation. The Valuer has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
7.	Information on Leases and Sales Performance	The Valuer has relied on the rent roll including lease terms & conditions of the existing and pre-committed leases, as given by the Client. The Valuer has not verified individual lease agreements and the Valuer has relied on all information provided to him by the Client, upon which the Valuer will rely, is complete and correct. The Valuer has relied on pre-leasing details to the extent data/information made available by the Client.
8.	Site Investigations and Illustrations	The Valuer has carried out the site visits and based on the information made available by the Client and the estimate is carried out considering that the Project Site is a contiguous land parcel and is free from any encroachments and encumbrances as on the date of valuation. The Valuer has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out. Any sketch, plan or map in the report is included to assist reader while visualizing the Project and assume no responsibility in connection with such matters.
9.	Project Cost Estimates	Project Cost Estimates used in the estimate is as given by the Client. Project progress including capital expenditure progress reported is based on the cost incurred data as shared by the Client. The Valuer has reviewed the Project Cost estimates and/or cost incurred data to broadly ascertain their correctness on a normative basis while relying on the same as shared by the Client.

10.	Environmental Compliance	The Valuer assumed that the Project Site / Project is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried out on the Project Site are regulated by environmental legislation and are Project Site licensed by the appropriate authorities.
11.	Present Ground Conditions	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the current or future occupation, development of the Project. The estimate assumes that the Project Site is free from rot, infestation, structural or latent defect and no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.
12.	Town Planning and Statutory Considerations	The Valuer has not made formal search but has generally relied on readily available information to general public. Valuation Report is on current use/ current state basis of the property and the Valuer has not considered any Government proposals for road widening or compulsory purchase/ acquisition, or any other statute in force that might affect the Project.
13.	Future Market Development and Prospects	The Valuer has not accounted any future market development and prospects to the extent information known to the Valuer as on the date of valuation. The Valuer does not warrant that such statements are accurate or correct.
14.	Disclaimer	<p>The estimate of Market Value is based on documents/information shared by the Client. The Valuer has not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the Project.</p> <p>The Valuer has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, the Valuer, and/or any of their associated companies and/or their employees are not responsible for any loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.</p> <p>Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.</p>

2 VALUATION APPROACH AND METHODOLOGY

2.1 VALUATION STANDARDS ADOPTED

This Report is prepared in accordance and compliance with:

1. Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 as amended from time to time ("**SEBI Regulations 2014**"), including Regulation 21 Sub-Regulation (3) and mandatory minimum disclosures as specified in Schedule V of these SEBI Regulation 2014,
2. Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time ("**Valuer Rules 2017**"), including reporting requirements as specified in Rule 18 to these rules,
3. International Valuation Standards 2022 ("**IVS 2022**") as set out by International Valuation Standards Committee ("**IVSC**") and adopted by Royal Institution of Chartered Surveyors ("**RICS**") presented in the RICS Valuation Standards and Guidelines 2022 ("**RICS Red Book 2022**"), subject to variation to meet local established law, custom, practice, and market conditions.

2.2 BASIS OF VALUATION

Basis of valuation of the Project is **Market Value** as defined by IVSC and adopted by Royal Institution of Chartered Surveyors (RICS) to be:

"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".

2.3 APPROACH AND METHODOLOGY

The purpose of this valuation exercise is to estimate the Market Value of the Project, which is a real estate asset. Market Value of the real estate asset can be estimated using different approaches and methodologies.

Income Approach: Under this valuation approach, the income generating potential of the real estate asset is estimated while opining on its market value. This approach is typically adopted for assets that are income-generating (completed and operational with multiple tenancies, multiple strata units that can be sold with phased/milestone-based revenue collections, among others). For income-generating assets with single/multiple tenancies, the discounted cash flow entailing term and reversion method is most commonly adopted.

Market Approach: Under this valuation approach, the price that an asset could fetch in an open market is estimated. This approach is typically adopted for homogeneous assets in their micro-market and are typically traded on a unit basis. The most commonly adopted valuation method under this valuation approach is the Listed Transaction / Listed Quoted Instances Method, also commonly known as the Direct Comparison or the Comparable Sales/Quoted Instances Method.

Cost Approach: Under this valuation approach, the cost required to create an asset of similar or equal utility is estimated. This valuation approach is typically adopted for real estate assets that can be clearly broken down into constituent elements, namely land and built structures. The most commonly adopted valuation method under this valuation approach is the Physical Method, also commonly known as Land and Building Method, which typically entails

estimation of the underlying land value (while normally adopting the Market Approach) and the built structures (while adopting the Depreciated Replacement Cost Method) separately.

The table below presents different valuation methodologies and their brief description.

Table 2.1: Different Valuation Methodologies and Description

Sl.	Valuation Methodology	Description
1.	Comparable Sales / Quoted Instances Method	This method is based on comparing the subject property directly with other comparable property transaction (actually been sold in the vicinity or are offered for sale). Efforts would be made to collect transacted instances. In case of non-availability of transacted instances in the micro-market, the opinion will be offered based on the available asking/quoted instances in the market with appropriate adjustments for margin for negotiation. Given the homogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. These adjustments are typically made in the form of premium and/or discount factors for various property attributes, which affect the value. This method demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This method is a fair estimate of the prevailing prices.
2.	Depreciated Replacement Cost Method	Replacement cost method is based on the construction cost of assets. The cost to be estimated is the cost of construction as per the construction status at the valuation date. This is based on the inspection of the facility and inputs provided by the Client; however, no structural survey will be conducted. Appropriate depreciation rates will be applied based on schedules given under the Indian Companies Act. This is generally used for estimating the Market Value of only the buildings
4.	Discounted Cash Flow Method	This method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the Project Site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to estimate the market value for the operational project components. This method is sometimes referred to as 'Rent Roll method as well.

Approach and Methodology Adopted for Estimated Market Value of the Project

Based on a detailed review of the leases for the Project, the Valuer has noted that a large number of leases of the Project were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand-supply dynamics, quality of spaces, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or submarkets increase or decrease at a rate significantly different from those agreed to in initial leases. These factors reinforce the need to review each of these leases in isolation to estimate the intrinsic value of the property under review.

Considering the objective of this exercise and the nature of asset involved (completed & operational commercial / office space, (other than the land portions of future development portion which has been valued using Comparable Sales / Quoted Instances Method under 'Market Approach'), the value is estimated using the 'Discounted Cash Flow Method' (basis term and rent reversion) under 'Income Approach'.

3 VALUATION ASSUMPTIONS AND INPUTS

3.1 INVESTIGATION, NATURE AND SOURCE OF INFORMATION

The Valuer undertook physical visits of the Project 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 Project was sourced from the industry and market report prepared by Jones Lang LaSalle Property Consultants (India) Private Limited ('JLL'), who were appointed by the Client to undertake market research and portfolio analysis of the properties part of the Mindspace REIT.

Project related information referred to for the valuation exercise have been provided by the Client unless otherwise mentioned. The Valuer has assumed the documents to be a true copy of the original. The rent rolls have been cross-checked with the lease deeds on a sample basis to verify the authenticity. Additionally, wherever possible, the Valuer has independently revalidated the information by reviewing the originals as provided by the Client.

In addition, the Valuer relied on the following information and documents shared by the Client with respect to the Project:

- Title certificates prepared by the Legal Counsel of the Client covering the type of ownership interest enjoyed and information on ongoing litigation.
- Architect's certificates dated mentioning site areas and property areas
- Relevant approval documents from competent authorities regarding occupancy, operations and fire safety.
- Lease agreements and commercial clauses thereof for top five tenants on a sample basis
- Masterplan/ Development plan applicable in the jurisdiction of the Project
- Management representation regarding the following:
 - Major repairs undertaken and proposed in the Project
 - Statement of assets
 - Revenue pendency if any
 - Pre-emption and any other encumbrances concerning or affecting the property.
 - List of material litigations

3.2 CAPITALIZATION RATE

The capitalization rate adopted for valuing the assets has been based on various factors such as:

- Historical entry yields (going in cap rates) for commercial / office asset transactions across various key markets in India, which have steadily shown a downward trend over last 7 - 8 years from 10.5%-11.5% to about 7.5%-8.5% in 2023.
- The increased appetite for income generating assets and availability of various modes of finance (real estate credit flows), backing such acquisitions.
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given entry challenges such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction).
- Inflation (and interest rates) expected to be maintained in check with interventions from the Reserve Bank of India, in case of significant change.
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer).

Based on the above factors, the Valuer has adopted a exit cap rate of 8.5% for the Project, for the purposes of estimating the Market Value, considering the 1 year forward net operating income after 10 years, is utilized for the purpose of calculation of exit value / terminal cash flow.

3.3 DISCOUNT RATE

This discount rate used for discounting the available cash flows represents Cost of equity (the opportunity cost for shareholders) and Cost of Debt (the opportunity cost for creditors), weighted by their respective 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.

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

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

The cost of debt for completed commercial / office blocks has been considered based on prevalent financing rates for Grade A commercial / office parks in the city. The weightages accorded to equity and debt are derived through benchmarking the subject property against similar portfolios/properties in the market. For discounting the cash flows, an appropriate discount rate considering the location of Project and market dynamics of the micro market, has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC) which is derived to be 12.25% for the completed portion of the project.

This derived discount rate was found to be aligned with the expectations of investors investing in similar assets.

4 VALUATION CERTIFICATE

Property Name	Mindspace Pocharam, Hyderabad - SEZ													
Property Address	Mindspace, TSIIIC software layout, Hyderabad, Telangana, 500081													
Land Area	66.46 Acres													
Brief Description	<p>The Project is located in the eastern part of Hyderabad at Pocharam in Suburb-Others micro market. It is located ~1.3 km off Hyderabad -Warangal Highway and is accessible through 24 m wide road. It is at a distance of about ~15 km and ~ 41 km from Uppal and Hyderabad International Airport respectively.</p> <p>The Project is developed as IT Park with ~ 0.57 million sq. ft. of leasable area spread across two buildings (Building 8 and 9) and the Project has ~ 19 acres of land earmarked for future development. In addition to these buildings, the Project also has ~ 19 acres of land for Future development, however, the Valuer has currently valued the same at land using 'Comparable Approach'.</p>													
Asset Details	<p>1) Leasable area details as shared by the Client is given below:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th><th>Building Name</th><th>Leasable Area (sq. ft.)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Building 8</td><td>377,422</td></tr> <tr> <td>2.</td><td>Building 9</td><td>192,681</td></tr> <tr> <td colspan="2">Total Leasable Area</td><td>570,102</td></tr> </tbody> </table> <p>2) ~ 19 acre of land for future development</p>		Sr. No.	Building Name	Leasable Area (sq. ft.)	1.	Building 8	377,422	2.	Building 9	192,681	Total Leasable Area		570,102
Sr. No.	Building Name	Leasable Area (sq. ft.)												
1.	Building 8	377,422												
2.	Building 9	192,681												
Total Leasable Area		570,102												
Valuation Methods	<p>The estimate of Market Value is prepared using following methods:</p> <table border="1"> <thead> <tr> <th>Sl - No.</th><th>Asset Type</th><th>Methodology Adopted</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Completed Assets</td><td>Discounted Cash Flow Method using Rent Reversion</td></tr> <tr> <td>2.</td><td>Land Parcels</td><td>Comparable Sales/ Quoted Instance Method</td></tr> </tbody> </table>		Sl - No.	Asset Type	Methodology Adopted	1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion	2.	Land Parcels	Comparable Sales/ Quoted Instance Method			
Sl - No.	Asset Type	Methodology Adopted												
1.	Completed Assets	Discounted Cash Flow Method using Rent Reversion												
2.	Land Parcels	Comparable Sales/ Quoted Instance Method												
Nature of the Interest by the Client	100% freehold interest in the Project as informed by the Client													
Purchase Price of the Project	INR 2,602.14 million, as given by the Client													
Historical Valuation of the Project in 3 Previous Years	<p>Below table summarizes historical valuation of the Project as given by the Client:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th><th>Date of Valuation</th><th>Market Value (INR Million)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>31-Mar-2020</td><td>2,984 (Completed:1,379, Under-construction / Future Development: 1,606)</td></tr> <tr> <td>2.</td><td>30-Sep-2020</td><td>2,752 (Completed:1,199, Under-construction / Future Development: 1,553)</td></tr> </tbody> </table>		Sr. No.	Date of Valuation	Market Value (INR Million)	1.	31-Mar-2020	2,984 (Completed:1,379, Under-construction / Future Development: 1,606)	2.	30-Sep-2020	2,752 (Completed:1,199, Under-construction / Future Development: 1,553)			
Sr. No.	Date of Valuation	Market Value (INR Million)												
1.	31-Mar-2020	2,984 (Completed:1,379, Under-construction / Future Development: 1,606)												
2.	30-Sep-2020	2,752 (Completed:1,199, Under-construction / Future Development: 1,553)												

	3.	31-Mar-2021	2,746 (Completed:1,177, Under-construction / Future Development: 1,568)
	4.	30-Sep-2021	2,838 (Completed:1,260, Under-construction / Future Development: 1,578)
	5.	31-Mar-2022	2,138 (Completed:1,225, Under-construction / Future Development: 913)
	6.	30-Sep-2022	2,137 (Completed:1,217, Under-construction / Future Development: 920)
Ready Reckoner Rate	Built -up area: Ground Floor – INR 2,200 per sq. ft. First & Other Floors - INR 2,200 per sq. ft. Land Area: INR 6,300 per sq. yd. or INR 30.5 million per acre		
Date of Valuation	31-Mar-2023		
Date of Inspection	01-Apr-2023		
Market Value as on 31-Mar-2023	For Completed Project - INR 1,740.27 million (INR One Billion Seven Hundred Forty Million Two Hundred and Seventy Thousand Only) Land earmarked for Future Development (~ 19 acres of land) - INR 586.63 million (Five Hundred Eighty-Six Million Six Hundred and Thirty Thousand Only)		
Matters Affecting the Property and its Value	Please refer to Chapter 7 of this Valuation Report		
Assumptions, Disclaimers, Limitations and Qualifications	This Valuation Report is provided subject to assumptions, disclaimers, limitations and qualifications detailed throughout this report, which are made in conjunction with those included within the Assumptions, Limitations & Qualifications section located within this report. Reliance on this report and extension of Valuer's liability is conditional upon the reader's acknowledgement and understanding of these statements. This Valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party, who may use or rely on the whole or any part of the content of this Valuation Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Project		

Prepared by KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164)

Represented through its Director

Mr. Sachin Gulaty FRICS FIV FIIA

IBBI/RV/02/2021/14284



Name: Sachin Gulaty FRICS FIV FIIA

Designation: Director

Valuer Registration No.: IBBI/RV/02/2021/14284

5 PROJECT SITE AND PROJECT ANALYSIS

5.1 DETAILS OF THE PROJECT SITE AND/OR PROJECT

The table below presents details of the Project Site and/or Project

Table 5-1: Details of the Project Site and/or Project

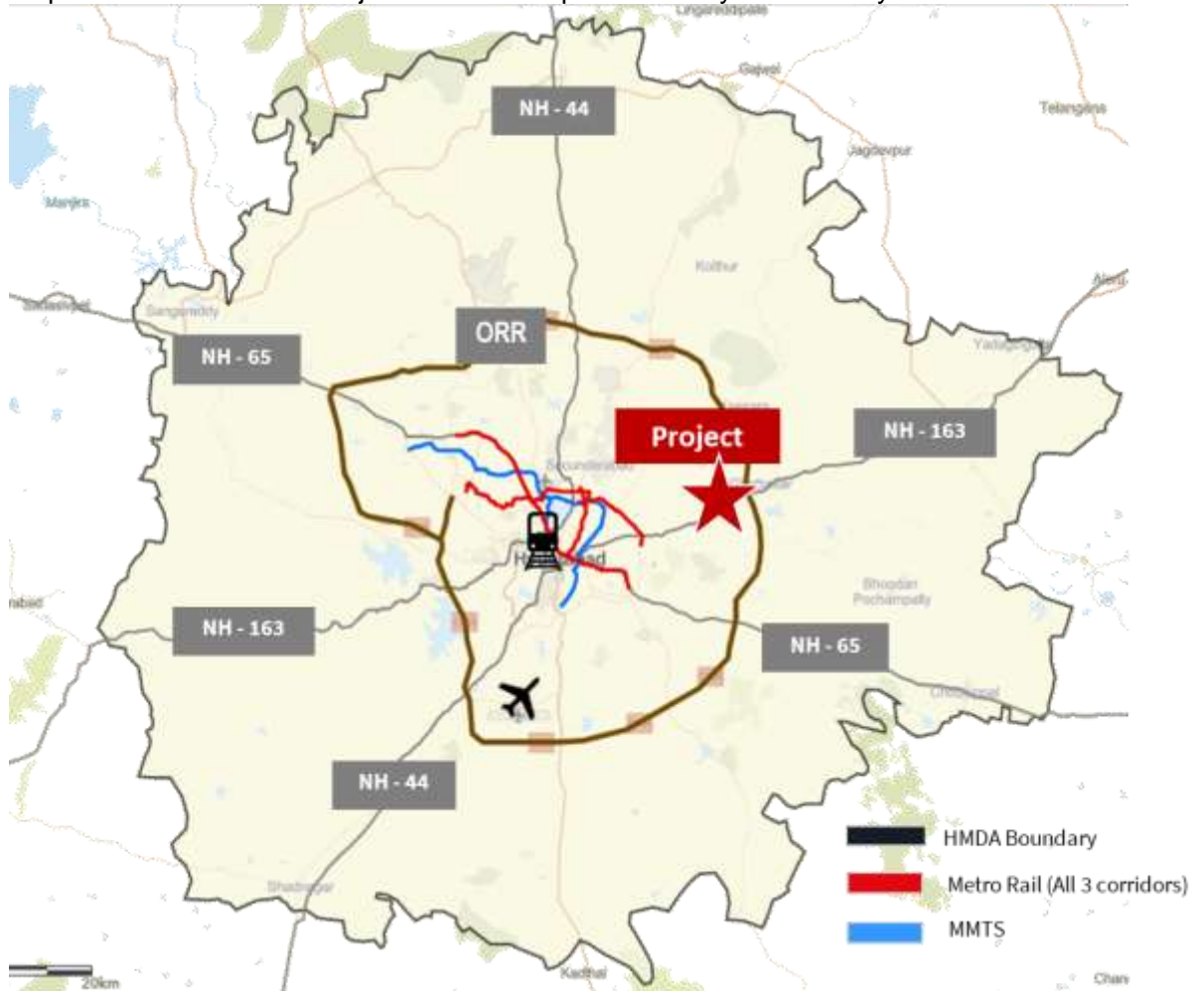
DETAILS OF PROPERTY		
Property Name	Mindspace Pocharam, Hyderabad - SEZ	
Property Address	Mindspace, TSIIIC software layout, Hyderabad, Telangana, 500081	
Land Area	66.46 Acres	
Block-Wise Break-Up of Leasable Area and Current Status	Leasable area details as shared by the Client is given below:	
	Sr. No.	Building Name
	1.	Building 8
	2.	Building 9
	Total Leasable Area	
	Leasable Area (sq. ft.)	
		377,422
		192,681
		570,102
Based on the site inspection, the Project has two buildings and ~ 19 acre of land for future development.		
Access	Accessible through approx. 24 m. wide internal road	
Frontage	Excellent frontage along the access road	
Shape and Visibility	Regular in shape and has excellent visibility from access road	
Approval Status	Project has requisite approvals in place as confirmed by the Client	
INFRASTRUCTURE		
Water Supply, Sewerage & Drainage	Available within the Project	
Power & Telecommunication	Available within the Project	

5.2 LOCATION OF THE PROJECT

The Project is located in the eastern part of Hyderabad at Pocharam in Suburb-Others micro market. It is located ~1.3 km off Hyderabad -Warangal Highway and is accessible through 24m wide road. It is at a distance of about ~15 km and ~ 41 km from Uppal and Hyderabad International Airport respectively.

The map below presents the location of the Project Site with respect to the city.

Map 5.1: Location of the Project Site with respect to the Hyderabad City



Source: Real Estate Market Research & Analysis; JLL, March 2023

The distance of the Project from major landmarks in the city is given in the table below.

Table 5-2: Distances of the Project from Major Landmarks in the City

Location / Landmark	Approximate Distance from Project Site (km)
Outer Ring Road (ORR)	~ 3
Secunderabad Railway Station	~ 20
Hyderabad RGIA Airport	~ 41
Singapore Township	~ 1
Infosys Campus	~ 2

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.3 DESCRIPTION OF THE PROJECT AND ITS SURROUNDINGS

The Project is developed as IT Park and is located in Pocharam in Suburb-Others micro market of Hyderabad. It is located accessible through 24m wide road from the Hyderabad – Warangal Highway. In terms of Project Site attributes, the Project Site is regular in shape and has relatively flat terrain.

The Project consists of two buildings with total leasable area of ~ 0.57 million sq. ft. and ~ 19 acres of land earmarked for future development.

The Project micro market has only Infosys Campus as the other commercial development. In terms of real estate activity, the Project is predominantly surrounded by residential plotted development and few apartment projects including Singapore Township.

The Project enjoys good frontage along the access road. The map below presents location of the Project Site and its surroundings.

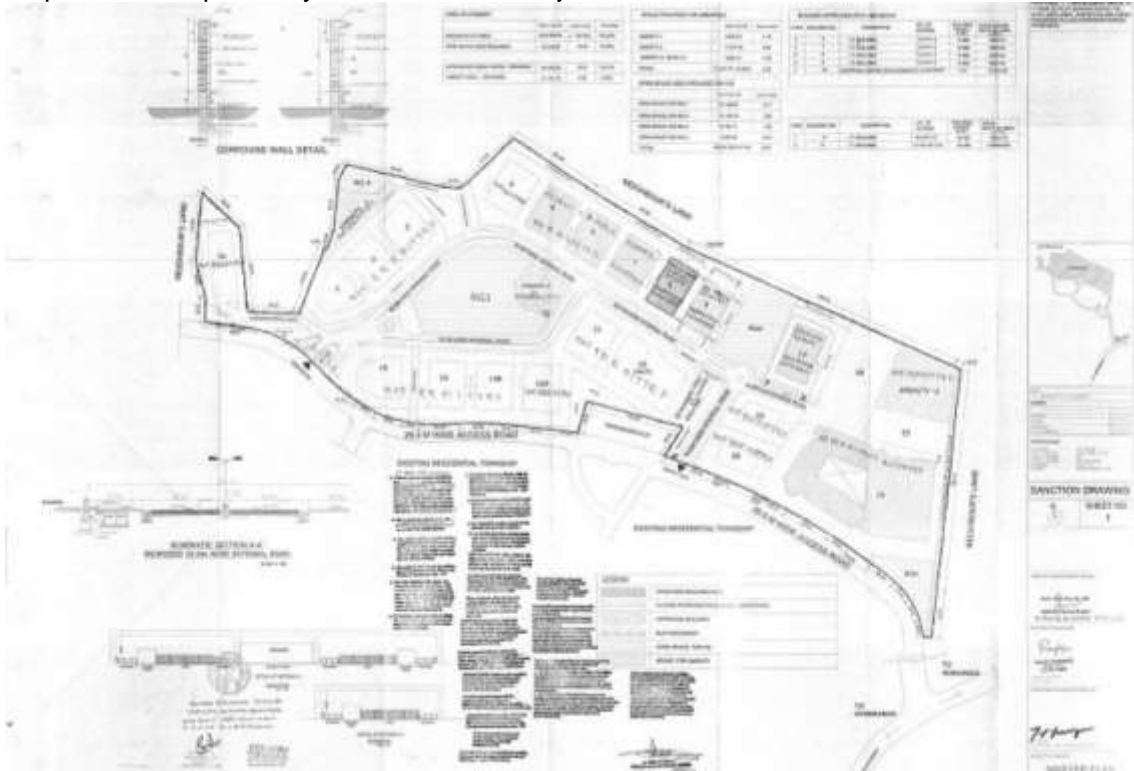
Map 5.2: Location of Project and its Surrounding Developments



Source: Real Estate Market Research & Analysis; JLL, March 2023

The map below presents the conceptual Layout Plan of the Project as shared by the Client.

Map 5.3: Conceptual Layout Plan for the Project



Source: Client, March 2023

The table below presents the boundary/edge conditions of the Project Site.

Table 5-3: Project Site and its Site Boundaries

North	Private Property
South	Access Road
West	Private Property
East	Private Property

Source: Real Estate Market Research & Analysis; JLL, March 2023

5.4 DESCRIPTION OF THE PROJECT

As stated earlier, the Project has total leasable area of 0.57 million sq. ft. spread across two buildings i.e., Building 8 and Building 9. The following table presents the details of the Project in terms of buildings and leasable area.

Table 5-4: Details of the Project in terms of Buildings and Leasable Area

Sr. No.	Building Name	Leasable Area (sq. ft.)
1.	Mindspace Pocharam – Building 8	377,422
2.	Mindspace Pocharam – Building 9	192,681
	Total Leasable Area	570,102

Source: Client, March 2023

In addition to the above, the following assets are also part of the Project.

- Total utility areas and internal roads
- Total open spaces

The table below presents key asset specific information.

Table 5-5: Key Asset Specific Information of the Project

Particulars	Description			
Name of the Entity	Mindspace Business Parks Private Limited			
Interest owned by Mindspace REIT	Project is wholly owned by Mindspace Business Parks Private Limited which is 100% owned and controlled by the Mindspace REIT ^{1/}			
Land Extent	66.46 acres			
Asset Type	IT Park with SEZ buildings			
	~19 acres of land earmarked for future development			
Sub-Market	Suburbs Other / PBD East			
Approved and Existing Usage	IT Offices			
Age of Building based on the Date of Occupancy Certificate ^{2/}	Sl.	Building Name	Age of the Building	
	1.	Building 8	6 years 8 months	
	2.	Building 9	5 months	
Current Status	Operational			
Approvals Status	Project has requisite approvals in place as confirmed by the Client.			
Freehold/Leasehold	The underlying land is taken on freehold basis			
Leasable Area	0.57 million sq. ft.			
Occupied Area	0.18 million sq. ft.			
Occupancy ^{3/}	37.5%			
Committed Occupancy ^{4/}	37.5 %			
Number of Tenants	01			

^{1/} Refer company structure set out in Annexure 1

^{2/} Client has obtained occupation certificate for entire leasable area measuring 0.377 million sq. ft.

^{3/} Occupancy refers to proportion of area leased, which is actively occupied by the tenants/occupiers

^{4/} Committed occupancy also includes area, which has been pre-leased to tenants/occupiers

5.5 PROJECT INSPECTION

The Project is part of larger campus having total leasable area of 570,102 sq. ft. spread across two buildings and additional ~ 19 acres of land is earmarked for future development. The Property was inspected on 01 April 2023 by the Valuer.

The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT Electric Room, Pump Room, HVAC installations, Power Back up, STP. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

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

Some of the photographs of the Project and surroundings are given below



5.6 OTHER RELEVANT INFORMATION RELATED TO THE PROJECT

Area Details, Type and Age of Structures

Table 5-6: Building Details

Sr. No.	Building Name	Leasable Area (sq. ft.)	Usage Type	Status	Age of the Building
1.	Building 8	377,422	SEZ	Completed	~ 6 years 8 months
2.	Building 9	192,681	SEZ	Completed	~ 5 months

Developable Area of the Project

The total site area of the Project is ~66.46 Acres with total leasable area of 0.57 Mn sq ft spread across two buildings and ~ 19 acres of land earmarked for future development.

Site Services and Finishes

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. As per the visual survey there was no concern related to finishes and site services. The campus is well maintained with proper landscaping in common areas.

Condition and Repairs

The visual inspection was done for all the buildings including common areas and key utility areas such as LT Electric Room, Pump Room, STP, Chillers, HVAC Installations etc. The inspection of key utility areas was done on a sample basis, and it did not reveal any cause of concern or ill maintenance in any of the operational buildings.

Environmental Considerations

The Valuer has not carried out any investigations or tests or been supplied with any information from the 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 Project 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. Hyderabad where the Project is located falls in Seismic Zone II with low risk. The city faces low risk in terms of high winds or cyclones too. The Project is not likely to face any higher risk than the overall risk profile of the city. Project is regular in shape with fairly even topography. No hazardous activity was noted in the vicinity of the Project, which may expose it for any induced disaster.

Option or Pre-Emption Rights and Encumbrances

Unless disclosed and recorded by the Client, the Project 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 favor of the lenders, based on the information given in the Title Reports prepared by Hariani & Co. (hereinafter collectively referred to as 'Legal Counsel'). The Valuer has not checked and verified the title of the Project.

Revenue Pendencies

On the basis of the Title Reports prepared by the Legal Counsel and discussion with the Client, there are no revenue pendencies including local authority taxes associated with the Project 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.

Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation including tax disputes other than the litigation disclosed to the valuer (as specified in annexure 7), relating to the Project or any compounding charges.

5.7 TENANCY ANALYSIS

Tenant Profile

As on 31st March 2023, The Project has 1 tenant (for office space) which is Genpact.

Table 5.7: Tenant as per Leasable Areas*

Sr No.	Tenant	Leasable Area (Sq Ft)
1	Genpact India Pvt Ltd	187,772
	TOTAL	187,772

Table 5.8: Tenant as per Gross Rentals*

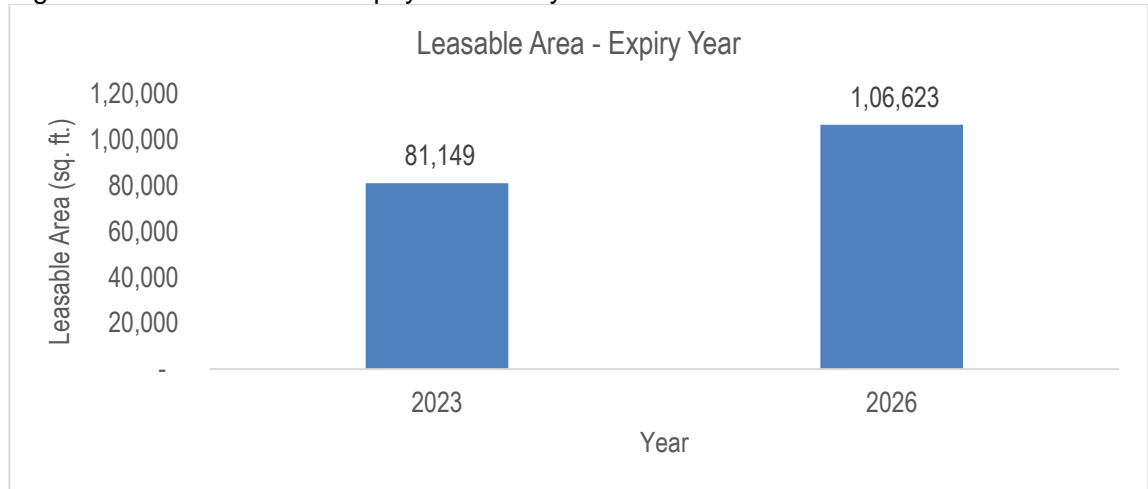
Sr No.	Tenant	Share of Gross Rentals
1	Genpact India Pvt Ltd	100%

	TOTAL	100%
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Lease Expiry Analysis

The WALE of the property is ~1.8 years, with 43.2% of occupied area expiring in CY 2023 and balance in CY 2026 as shown in the chart below.

Figure 5-1: Leasable Area Expiry Year Analysis



Escalation Analysis

The leases of the Project Site have typically seen rental escalation of 10% every 3 years.

6 MARKET SCAN OF THE CITY AND THE MICRO-MARKET

6.1 INTRODUCTION

The valuation exercise takes into account the market performance and various other indicators that are relied upon the industry report which has been prepared by Jones Lang LaSalle India Property Consultants, who are appointed as an independent consultant by the Client.

6.2 CITY OVERVIEW

Hyderabad is one of the fastest-growing cities in India. The city has succeeded in building on its IT/ITeS and pharmaceutical capabilities and managed to attract several global technology and pharmaceutical giants to invest in and operate from the city. In 2020, Hyderabad topped the JLL City Momentum Index (CMI) for the second time after 2018. An active real estate market with healthy rental growth along with a thriving start-up culture have been the catalysts for Hyderabad to surpass all other major metro cities around the world and top the index. Proactive initiatives and investor friendly policies such as the new industrial policy of TS-iPass by the state government has driven the fast and strong economic growth of the city in the last 5 years

The city is also home to 4,000 start-ups, primarily in the field of AI, Life sciences and Big Data analytics. The 2020 Global Start-up Ecosystem Report (GSER) by start-up Genome and the Global Entrepreneurship Network has put the state of Telangana among the top 30 global ecosystems for affordable talent in 2020 and Hyderabad is amongst the Top 100 emerging ecosystems.

IT/ITeS and pharmaceutical industries are the two major sectors that contribute maximum to the city's GDP. Defying all the covid disruptions, IT exports by Telangana in FY 2021-22 grew by 26% to INR 1,83,569 crore, compared to the national average of 17%. During the same year, the state added approximately 1,49,506 new jobs at an annual growth rate of 23.8%. This accounts for one third of the total IT jobs added in the country during the same period. Along with IT/ITeS, the pharmaceutical industry adds significantly to the exports from the city by commanding a 30% share in India's bulk drug production.

Owing to its robust and fast-developing infrastructure along with ease of living that offers a cosmopolitan environment, Hyderabad is amongst the most preferred destinations by the young workforce of the country. As per India Workforce Report by LinkedIn, Hyderabad is the 3rd largest city to attract people from every corner of India. Hyderabad accounts for about 8.5% of total immigrants across cities in India.

6.3 INFRASTRUCTURE INITIATIVES

The Telangana State Road Transport Corporation's (TSRTC) city buses, and Indian Railways' Multi-Modal Transport System along with Hyderabad Metro Rail (HMR) form the key public transport system for Hyderabad city. The current Hyderabad Metro Rail network consists of 57 stations covering 67 km. This connects the eastern and western parts of the city through the dense CBD of Hyderabad. This service is further being extended to connect the Rajiv Gandhi International airport at Shamshabad with the IT hubs- Madhapur, Gachibowli, and surrounding areas in the western part. Over the last 3 years, the city has experienced massive road development projects in all major areas.

The major infrastructure push to Hyderabad is being carried out through the most comprehensive road development plan. The flagship program by the state government and Greater Hyderabad Municipal Corporation (GHMC) is aimed to improve 54 junctions in the

city by building new elevated flyways and underpasses along with the construction of new roads. The INR 24,000 crore project involves improving the traffic congestion in the city and use it as a catalyst to improve the ease of living.

Existing infrastructure

Existing Project	Completion timeline	Details	Key impact zones
Nehru Outer Ring Road (ORR)	2008 – 2018 (in phases)	158 km elevated 8-lane expressway built to encircle city periphery	Madhapur, Gachibowli
Rajiv Gandhi International Airport (RIGA)	2008 (On-going expansion)	Improved air connectivity of Hyderabad with key cities across the world. Direct air connectivity with the key cities in the USA, UK, Europe, Middle East, Singapore, and Hong Kong.	Suburbs Others, Gachibowli
PVNR Expressway	2009	11.6 km signal-free elevated highway from Mehdiapatnam to Attapur	SBD, Suburbs Others
Durgam Cheruvu Bridge	2020	0.5 km cable bridge over Durgam Cheruvu connecting Jubilee Hills to Madhapur Reduces travel time	SBD
Strategic Road Development Programme (SRDP)	Started in 2018		CBD, SBD, Madhapur, Gachibowli, Suburbs Others

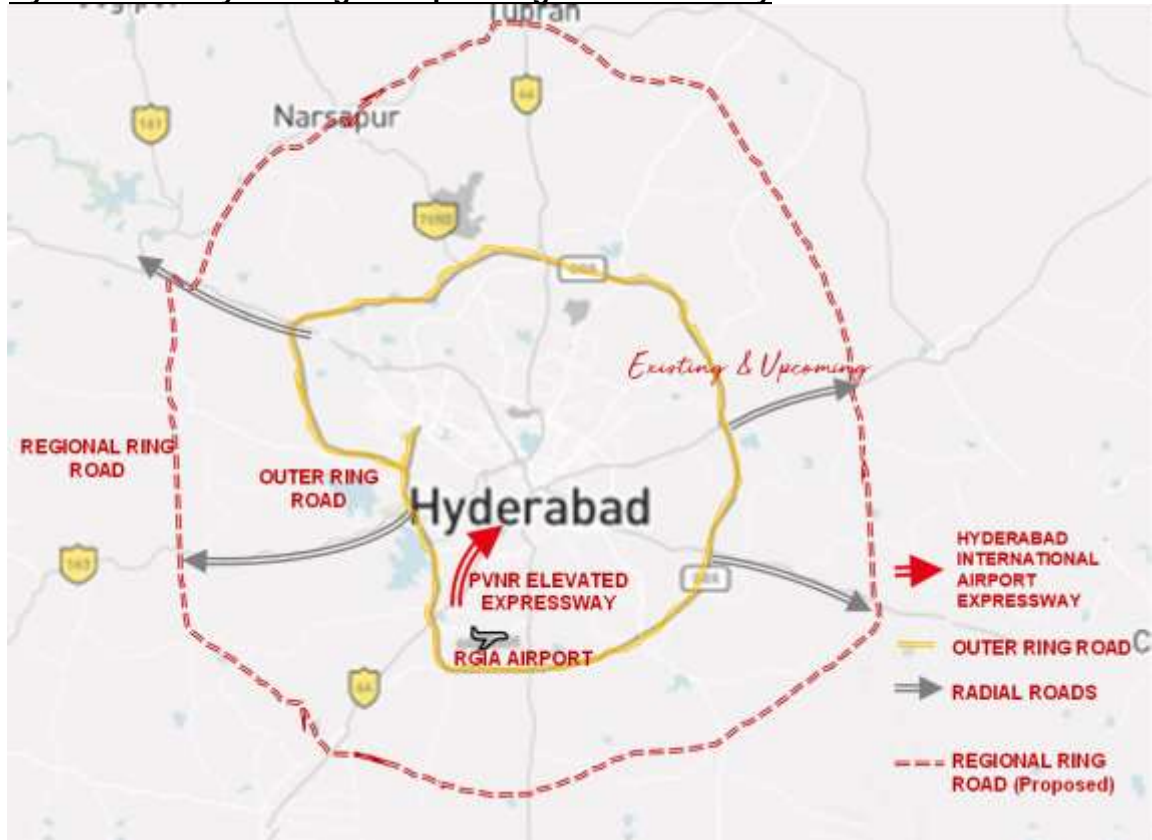
Source: Real Estate Market Research & Analysis; JLL, March 2023

Upcoming Infrastructure

Some of the key upcoming projects for the city are mentioned below:

Existing Project	Completion timeline	Details	Key impact zones
Regional Ring Road	NA	6 lane, 330 km Circular Road network to be developed around extended suburbs of Hyderabad city to ensure excellent connectivity with supporting smaller towns around Hyderabad. Intercity connectivity with other districts of Telangana is likely to improve	NA
Elevated Corridors	2022 - 2024	Elevated Road network in key junctions of the city Helps in easing traffic congestion	Suburbs Others, CBD, SBD
Elevated Bus Rapid Transport System (EBRTS)	NA	To complement Hyderabad's transport infrastructure, an elevated BRTS is planned between KPHB and the Financial District with further extension up to Kokapet. Being implemented by the Hyderabad Airport Metro Limited EBRTS will have 23 stops for electric buses and aims to resolve the traffic congestion along the Metro corridor.	Madhapur, Gachibowli

Hyderabad – Key existing and upcoming roads in the city



Source: Real Estate Market Research & Analysis; JLL, March 2023

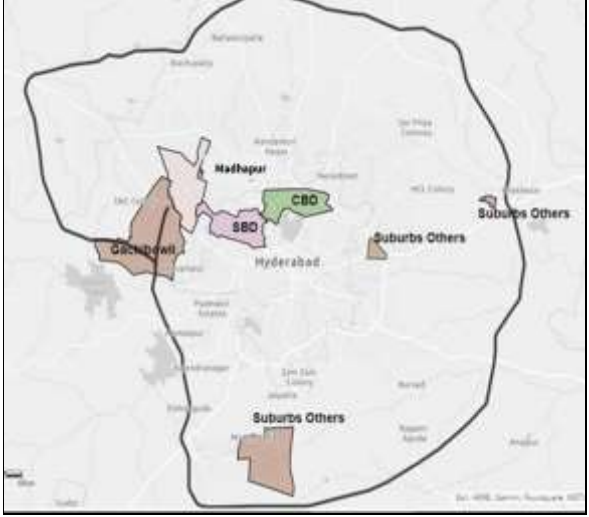
Existing Metro Rail Lines

Hyderabad Metro Rail Phase 1 is fully operational with coverage of ~69 kms. Since the announcement of the Metro Rail Project in 2017, Hyderabad's real estate witnessed a boost along its corridors. Phase II of this project traverses ~58 kms network connecting airport and other residential suburbs; Raidurg to Shamshabad network by ~ 31 kms; LB Nagar to Nagole ~5kms and Lakdikapul to BHEL by ~ 22kms.

Existing Project	Completion timeline	Details	Key impact zones
Hyderabad Metro Rail – Phase I	2017 - 2020	69 km elevated network connecting eastern and western parts of city via CBD	SBD, CBD, Madhapur

Upcoming Metro Rail Lines

Upcoming Project	Completion timeline	Details	Key impact zones
Hyderabad Metro Rail – Phase II	NA (3-4 years from commencement)	<ul style="list-style-type: none"> 58 km network connecting airport and other residential suburbs Raidurg to Shamshabad Airport – 31 km Nagole to LB Nagar – 5 km Lakdi ka pul to BHEL – 22 km 	Gachibowli, SBD, Suburbs Others
Hyderabad Airport Metro	NA	Hyderabad Metro's Airport Express Line is an upcoming rail line that'll connect Mindspace REIT Junction and Rajiv Gandhi International Airport in Shamshabad via 10 stations. This 32 km line of the Hyderabad	

	Nanakramguda, Puppalguda, Khajaguda	
Peripheral East	Uppal, Pocharam	
Suburbs- Others	Shamshabad	

Source: Real Estate Market Research & Analysis; JLL, March 2023

City Market Trends

	Total Stock (Mn sq. ft)	Net Absorption (Mn sq. ft)			Vacancy %		
		Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)	Q1 2023	Q4 2022 (Q-O-Q Change)	Q1 2022 (Y-O-Y Change)
CBD	3,284,888	8,973	-93.1%	NA	9.5%	- 20 bps	- 810 bps
SBD	3,466,255	77,444	-55.2%	61.4%	25.6%	- 220 bps	- 280 bps
Madhapur	64,479,253	342,544	-75.7%	-68.0%	13.6%	40 bps	390 bps
Gachibowli	33,320,892	-4,222	-114.9%	-100.2%	34.6%	0 bps	1,120 bps
Peripheral East	2,989,000	50,000	NA	NA	35.2%	-160 bps	-270 bps
Suburbs Others	1,297,083	100,007	NA	NA	21.4%	-380 bps	-540 bps

Source: Real Estate Market Research & Analysis; JLL, March 2023

Leasing Activity

Leasing activity in Hyderabad dropped significantly during the quarter to 0.9 million sq ft as office space demand remained sluggish in the start of the year. While IT & ITES led the leasing activity during the quarter, Healthcare and BFSI segments contributed significantly. However, absorption in flex spaces remained healthy during the quarter as many firms are inclining towards plug & play workspaces. While Madhapur contributed 85% in gross leasing, Gachibowli stood at 15%.

The city is currently witnessing the conclusion of a few pre-lease transactions in the key projects of Salarpuria, RMZ and CapitaLand in the Madhapur submarket. This trend is likely to continue over the next year as several pre-leasing deals are on the verge of completion, predominantly in the Madhapur submarket.



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Vacancy

As new supply outpaced a slowly recovering demand by a large margin, vacancy levels in the city went upward over the last one year. Since covid, the vacancy levels in the city have been growing north amidst a relative decline in the leasing activity from large IT companies while the supply has been very robust simultaneously. While vacancy in Madhapur has risen from 3% to 13% in last three years, it has grown from 8% to 34% in Gachibowli during the same period. With no large supply and muted demand during the quarter, vacancy in the city has remained unchanged at 21% in Q1 2023.

Submarket Rents

With limited supply till 2018 in the city, rents remained stable across the city. However, as new wave of quality supply hit the market in 2019 rents have witnessed a significant growth in the key micro markets like Madhapur and Gachibowli. However, post covid the rental growth has been limited but continues to be on growth curve in the city amidst completions from top developers largely in Madhapur and Gachibowli at higher rentals. With no new supply in Q1 2023 besides moderate demand, rents in the city remain unchanged at INR 63.3 per sq ft per month.

New supply

In last few years Hyderabad has witnessed a massive growth in new supply across the key submarkets. While the average annual supply from up to 2018 has been 4.8 million sq ft, it jumped to 13.2 million sq ft in the last four years in the city. With delayed projects coming on board in the next few quarters, new supply is expected to witness a robust growth in the latter half of 2023, largely driven by Madhapur and Gachibowli submarkets. After a record high supply during the last quarter, Hyderabad saw its lowest ever supply in Q1 2023 at 0.7 million sq ft, owing to delays in receiving Occupancy Certificates, taking the overall office stock in the city to 108.8 million sq ft.

Outlook

New supply is likely to be driven by leading developers like RMZ, Salarpuria, Phoenix Group & GAR Corp as many large projects are in advanced stages of constructions, mostly located in the submarket of Madhapur. Amidst sharp decline in demand for large scale office spaces by leading IT & BFSI players, vacancy in the city is expected to come under pressure in the medium term in the range of 20-23%. While a significant proportion of the upcoming supply in the medium to long term is still due for absorption, the gradually recovering momentum in

leasing activity is expected to improve the leasing activity in the longer term. Large part of leasing activity is expected to be witnessed in Madhapur market owing to quality supply from leading developers in key localities of the submarket.

6.5 MICRO MARKET: POCHARAM

The project lies in the Peripheral East micro market.

Supply, Demand Trend

Total Completions, Net Absorption and Vacancy Rate



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

Leasing activity

Occupier's share in gross leasing activity



Source: Real Estate Market Research & Analysis; JLL, 31 March 2023

As few small-scale firms continued to lease space during the quarter, this submarket recorded a net absorption of 0.05 million sq ft during the quarter. However, it is yet to see visible demand from large corporate clients.

Supply

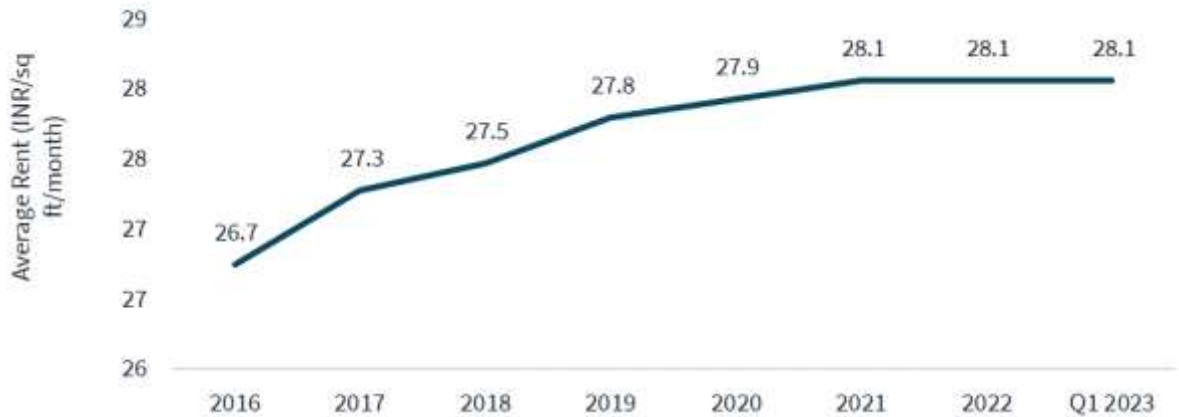
In Q1 2023, Peripheral East saw no new supply and total stock remained unchanged at 3.0 million sq ft.

Vacancy

Vacancy decreased significantly by 160 bps q-o-q to 35.2% in Q1 2023 but still remains significantly high.

Rents

Rental values remained unchanged during the quarter. The gross rents for the submarket are at around INR 28.1 per sq ft per month.



Note: Mindspace REIT micro markets, 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.

Source: Real Estate Market Research & Analysis; JLL, March 2023

Investment Activities within the Micro-Market

The city has witnessed few institutional office transactions of varying size. It is observed that the transaction value is based on the nature of the development, the micro-market location, Project, and leases prevailing etc.

Investment Activities within the country

The table below present details of few large sale transactions in major cities in India. Net yield for these transactions is arrived based on the Capital Value at which the property was transacted and rentals applicable for the same property during transaction. The net yield for such large transactions is witnessed in the range of 7.75% to 9.50%.

Table 6-1: List of transactions / deals in recent past:

Sl. No	City	Property Name	Location	Micro Market	Leasable Area (sq. ft.)	Capital Value (INR per sq. ft.)	Net Yield	Transacted Period
1	Mumbai	One BKC	BKC, Mumbai	BKC	~700,000	35,000-36,000	8.00% - 8.25%	2019
2	Mumbai	Equinox Business Park	Kurla, Mumbai	BKC Fringe	~1,250,000	19,000 - 20,000	8.25% - 8.50%	2018
3	Mumbai	Express Towers	Nariman Point	CBD	~472,377	40000 - 43,000	7.25% - 7.75%	2021
4	Chennai	Sandhya Infocity	Navalur	PBD OMR	~1,418,174	5,500 – 6,000	8.00% - 8.50%	2021
5	Chennai	Global Infocity	Perungudi	SBD OMR	~2,700,000	8,500 – 9,000	7.75% - 8.00%	2018
6	Chennai	One India bulls Park	Ambattur	PBD West	~1,900,000	4,500 – 5,000	8.00% - 8.50%	2018
7	Hyderabad	Phoenix aVance Building 6	HITEC City	PBD West	~640,000	7,500 - 8,000	9.00% – 9.50%	2021
8	Hyderabad	Phoenix Aquila Tower A	Gachibowli	PBD West	~1,180,000	8,200 - ,8700	8.00% - 8.25%	2021

9	Hyderabad	Waverock	Gachibowli	PBD West	~2,350,000	7,200 - 7,700	8.00% - 8.25%	2017
10	Pune	E Park 2	Kharadi	SBD East	~180,000	7,000-9,000	7.75% - 8.00%	2022
11	Pune	WTC Tower A	Kharadi	SBD East	~28,342	10,000-11,500	7.50% - 8.00%	2019
12	Bengaluru	Prestige RMZ Star Tech	Bangalore	SBD East	~1,370,000	-	7.60% - 7.80%	2022
13	Bengaluru	Embassy Tech Village	Bangalore	SBD East	~9,100,000	9,500 – 11,000	8.00% - 8.25%	2020
14	Gurgaon	One Horizon Centre	Gurgaon	SBD East	~421,134	22,000 – 24,000	8.00% - 8.25%	2020

Source: Real Estate Market Research & Analysis; JLL, March 2023

Project Site is **Mindspace Pocharam** which is one of the known developments for IT/ITeS companies located in the Peripheral East Micro-Market at Pocharam in Hyderabad City. The Project is part of **Mindspace Business Parks REIT** (Mindspace REIT) portfolio.. The location has excellent connectivity to residential locations and social infrastructure too.

The project offers Grade A space spread across two blocks with good amenities and facilities. The occupied client in the campus is Genpact India Pvt. Ltd. etc., and is preferred commercial development in this micro-market due to the quality of buildings, ease of connectivity and nature of campus development. Considering the past transactions in the city and Project attributes in terms of size, occupancy profile, micro market trend etc. the cap rate is arrived for the Project.

The Cap Rate applied to arrive at the terminal value of the property is 8.50%.

Outlook

Leasing activity is expected to remain low in the next few quarters as the market is yet to establish itself as a promising office market amongst occupiers. However, this trend is likely to reverse in the long term as this submarket is anticipated to gain some traction with special policy interventions from the state government to incentivize both tenants and developers. Large-scale improvement in social and physical infrastructure is an added advantage that can boost this submarket in the long run. There is however no supply lined up in this submarket as the vacancy levels are high and occupier activity is yet to pick significant traction.

7 MARKET VALUE ESTIMATE

7.1 ADOPTED PROCEDURE

The market practice in most commercial/ office developments involves contracting tenants / occupiers in the form of pre-commitments at sub-market rent to increase attractiveness of the property to prospective tenants - typically extended to anchor tenants. Additionally, there are instances of tenants paying above-market rent 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, the Valuer has considered the impact of such sub/above market rents on the valuation of the Project.

For the purpose of this valuation exercise, the Valuer has analyzed the tenancy details provided by the Client, to identify variances vis-à-vis prevailing market/marginal rent. Each lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- The rent rolls (and the corresponding lease deeds on a sample basis) were reviewed to identify tenancy characteristics for the asset. As part of the rent roll review, major tenancy agreements belonging to top 5 tenants were reviewed on a sample basis.
- Title certificates, architect certificates and other related documents as mentioned in relevant sections of the report were reviewed for validation of area details, ownership interests of the Project.
- Physical site inspections were undertaken to assess the status of the Project.

7.2 CASH FLOW PROJECTIONS

The cash flows for the Project have been projected separately for each lease, to arrive at their respective value estimates.

Net Operating Income (NOI) has primarily been used to arrive at the value of the Project. The projected future cash flows from the Project are based on existing lease terms for the operational leases 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 Project.

For vacant area and under-construction/future development area, the achievable market rent-led cash flows are projected factoring appropriate lease-up timeframe for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for estimate 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 lease is assessed separately for below aspects, for the rent over a 10-year time horizon:

- Projecting the rental income for identified tenancies up to the period of lease expiry, lock-in expiry, escalation milestones, etc. whichever is applicable. In the event of unleased spaces, market-led rent is adopted with suitable lease-up time.
- Generating a market led rental income stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step.
- Computing the monthly income based on rent projected above and translating the same to quarterly income (for the next 10 years and 11th year is considered for calculation of terminal value).

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses are projected on quarterly basis. Some of such adjustments on revenue and operational expenses are presented in the following table:

Table 7-1: Adjustments on Revenues and Operational Expenses

Parameters	Description / Basis
Parking Income	Based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces
Miscellaneous Income	Based on income inputs provided by Client for the Project
Insurance	Based on insurance outflow (if any) provided by Client
Annual Lease Rental / Property Taxes	Based on annual lease rental / property tax assessed for the Project as provided by Client
Asset Management Fee	Considered as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.
Margin on CAM	Based on the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.
Revenue Escalation	Based on market-led annual escalation on the market rent
Rent Free Period	Based on the trend prevalent in the submarket, appropriate rent free periods from lease commencement date (for future / new leases) are considered
Brokerage	Based on prevalent market dynamics, brokerage for future / new leases are considered
Fit-Out Income	Based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)
Transaction Cost on Exit	Considered as a percentage of the terminal value after aforesaid adjustments

7.3 CONSTRUCTION TIMELINES

The Project has received full occupancy certificate, However, there are certain balance payments to be made to vendors to the tune of INR 45 Mn which shall be paid by Q2 FY24.

7.4 ABSORPTION/ LEASING VELOCITY AND OCCUPANCY PROFILE

Occupancy profile of the project is as follows: -
~100% space is taken by IT/ITeS

7.5 KEY ASSUMPTIONS AND INPUTS

The table below presents key assumptions and/or inputs used in the cash flow configuration used for providing Valuation of the Project.

Table 7-2: Key Assumptions Used in the Estimate of Operational / Completed Blocks

Parameters	Assumptions / Inputs	Remarks / Basis
Cash Flow Period		
Valuation Date	31-Mar-2023	As per workings
Cash Flow Period	10 years	As per workings
Cash Flow Exit Period	31-Mar-2033	As per workings
Asset Details		

Parameters	Assumptions / Inputs	Remarks / Basis
Total Leasable Area	570,102 sq. ft.	As per the information provided by the Client
Leased Area	187,772 sq. ft.	As per the information provided by the Client
Vacant Area / Vacancy	382,331 sq. ft.	As per the information provided by the Client
Vacancy Allowance	2%	As per market benchmarks for large scale Grade A office projects.
Area to be Leased	382,331 sq. ft.	As per the information provided by the Client
Rent Free Period for Existing Lease Rollovers	2 months	As prevalent in the micro-market
Rent Free Period for New Leases	3 months	As prevalent in the micro-market
Total No. of Car Parking Spaces	NA	
No. of Car Parking Spaces Leased	NA	
Construction Related Assumptions		
Construction Cost to be incurred	INR 45 Mn	As per the information provided by the Client
Estimated Completion Date for incurring expenditure	Q2 FY24	As per the information provided by the Client
Revenue Assumptions		
Lease Rentals	Actual rentals as per the Rent Roll including additional charges (if any)	As per the information provided by the Client
Rent Escalation	Escalation in rentals as per the Rent Roll for the validity period of the leases, i.e. 10% every 3 years	As prevalent in the market it is observed that lease agreements are primarily at 10% rent escalations for every 3 year.
Market / Marginal Rent – Office	INR 22 per sq. ft. per month	Due to limited availability of Grade A office space in Pocharam sub micro market. The existing rental of the subject Project is considered as market achievable rentals. The transactions in the micro market are recoded in the range of INR 20 – 25 per sq. ft. per month for last 5 years. The asking instances are observed in the similar range.
Market / Marginal Rent - Amenities	Not Applicable	
Market Rent - Car Parking Space	Not Applicable	

Parameters	Assumptions / Inputs	Remarks / Basis
Market / Marginal Rent - Food Court	Not Applicable	
Market / Marginal Rent – Kiosk	Not Applicable	
Market / Marginal Rent – Terrace	Not Applicable	
Other Income	1.0% of base rentals	As prevalent in the market, we consider a normalized level of other income for future. Hence, we have considered other income at 1.0% of base rental income. Other income includes components from Events, Telecom Towers, Pop-ups
Other Operating Income		
Market Rent Growth from FY 2024-25	5% per annum	Considering the historical growth rate and the current market dynamics we have assumed a market rent growth of 5% per annum
Parking Rent Growth from FY 2024-25	Not Applicable	
Lease Tenure	9 years	As prevalent in the market
Target Efficiency	76%	Recent re-leasing suggest that the Client has leased the same premises at relatively lower efficiency and received higher rentals for the same carpet area. Going forward, for leases which will expire during the next 10 years, we have considered an efficiency at 76% or actual, whichever is lower
Maintenance Services Income / CAM Income	INR 9.31 per sq. ft. per month	The CAM income in the Project is in-line with market trend and is as provided by Client
Operating Cost Assumptions		
Brokerage - New Leases	2 months receivable on base rent	As prevalent in the market
Brokerage - Renewals / Release	1 month receivable on base rent	As prevalent in the market
Maintenance Services Cost	INR 6.76 per sq. ft. per month	As given by the Client and as prevalent in the market
Property Tax	INR 2.50 per sq. ft. per annum	As given by the Client
Insurance	INR 2.01 per sq. ft. per annum	As given by the Client
Cost Escalation	3 %	As prevalent in the market
CAM Escalation	5 %	As prevalent in the market
Other Assumptions		

Parameters	Assumptions / Inputs	Remarks / Basis
Transaction Cost on Sale	1 %	As prevalent in the market
Other Operating Expenses	2% of Base Rent + Car Parking Charges	As prevalent in the market
Property Management Fees	3.5% (Base Rent + Car Parking Charges + Fit out Rent + Other Operating Income)	As prevalent in the market
Discounting Rate / WACC	Suggestive Discount Factor: 12.25%	Refer Section 3.3 of this report
Cap Rate for Terminal Value	Capitalized using long-term net yield rate of 8.50% (post yield shrinkage). Capitalized based on the Net Cash flows of the 11 th year	Refer Section 3.2 of this report
Cash Flow Configuration	Cash flows have been drawn on quarterly basis for a period of 10 years, considering both cash inflows and outflows. Cash flows of terminal year is then capitalized and adjusted with transaction costs, to arrive at terminal value.	Value assumptions as practiced in the market

7.6 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 the Valuer has no knowledge, the Market Value of the complete ownership interest in the Project comprising land and improvements thereon, as explained above, on the below mentioned dates, is estimated to be as follows:

Table 7-3: Market Value of the Project

Component	Area	Market Value (INR Million)	Percentage Share
Commercial / Office Space (Leasable Area)	570,102 sq. ft	1,740.27	100%
Future Development (Land)	~ 19 acres	586.63	100%

Note: The above-mentioned value includes proportionate undivided ownership in the Amenity Plot, Utility Areas and Internal Roads and total open spaces of the Entire Campus.

With all assumptions as mentioned in this report, we are of the opinion that the Market Value of the Project Mindspace Pocharam located in Pocharam, Hyderabad Telangana, India 500088 comprising,

- 1) total leasable area of 570,102 sq. ft is estimated to be **INR 1,740.27 million (INR One Billion Seven Hundred Forty Million Two Hundred and Seventy Thousand Only)** and
- 2) ~ 19 acres of land earmarked for future development is estimated to be **INR 586.63 million (INR Five Hundred Eighty-Six Million Six Hundred and Thirty Thousand Only).**

Table 7-4: Ready Reckoner Rates for the Project

Component	Ready Reckoner Rate
Built-up Area	INR 2,200 per sq. ft.
Land Area (Open Plot)	INR 30.5 million per acre

KZEN VALTECH PRIVATE LIMITED (IBBI/RV-E/05/2022/164), the Valuer for the Project, hereby declares that:

- We are fully competent to undertake the valuation;
- We are independent and have prepared the report on a fair and unbiased basis; and
- We have valued the Project 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, as amended from time to time.



Name: Sachin Gulaty FRICS FIV FIIA,

Designation: Director

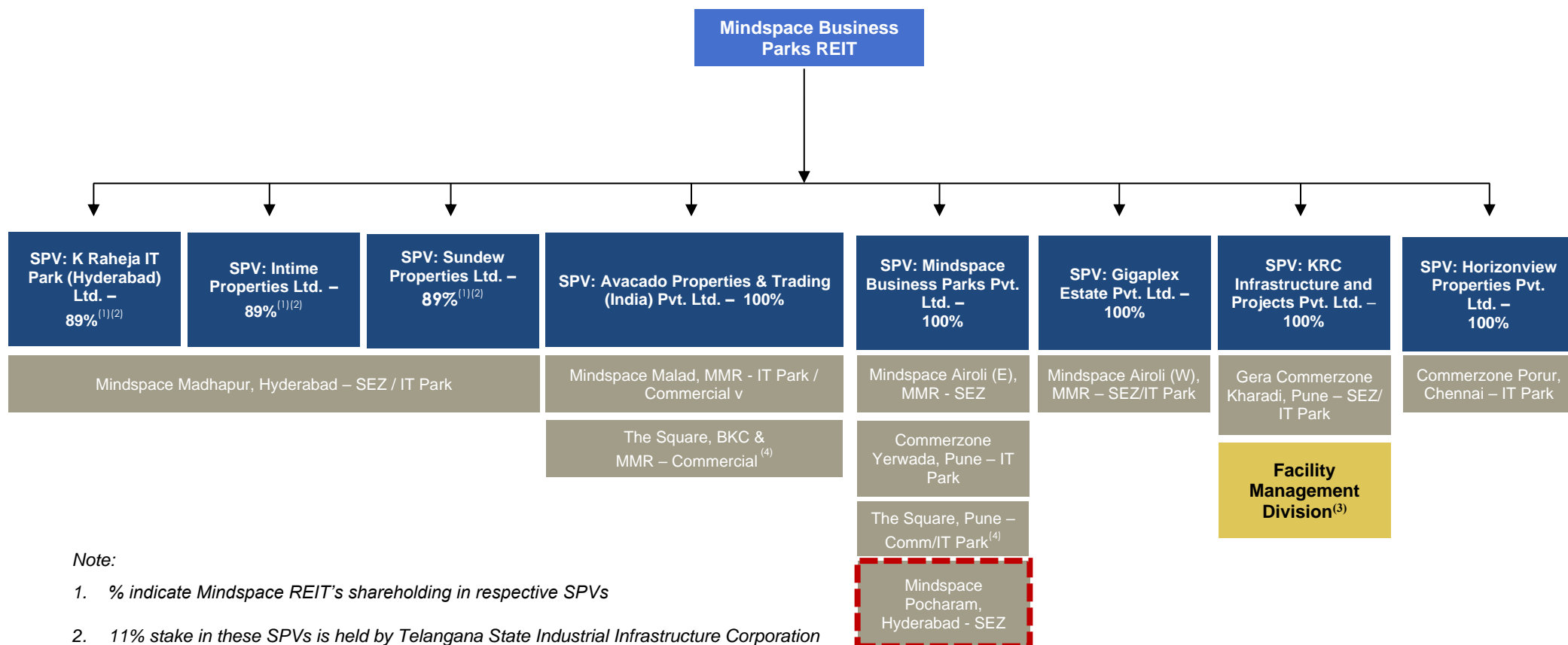
Valuer Registration No.: IBBI/RV/02/2021/14284

Address: 7th Floor, Awfis, Tower B, The Corenthum, Sector 62, NOIDA – 201309. Uttar Pradesh. INDIA.

E-Mail ID: sachin.gulaty@k-zen.in

Annexure - 1

Ownership Structure of the Project



Note:

1. % indicate Mindspace REIT's shareholding in respective SPVs
2. 11% stake in these SPVs is held by Telangana State Industrial Infrastructure Corporation Limited
3. Facility Management Division is housed in KRC Infrastructure and Projects Pvt. Ltd.



Annexure - 3

Statement of Key Assets within the Project

Building	No. / Name	B8P	B17P
Floor	Nos	3B+G+2P+7F	G+2+4F
Warm Shell / Bare shell		Warm Shell	Warm Shell
Air Cooled Chiller	TR	1 x 300, 1 x 350	NA
Water Cooled Chiller	TR	600	2 x 358
No of Elevators /Make	No/ Make	8 -Thussenkrupp	8-Thussenkrupp
No of DG / Capacity	No. / KVA	3 x 1010	2 x 1010
No of Transformers / Capacity	No./ KVA	2 X 2000	2 x 2000
Booster Pump	KW / Make	9.3 - Kirloskar Brothers	9.3 - Kirloskar Brothers
Jockey Pump	KW / Make	11 - Kirloskar Brothers	11 - Kirloskar Brothers
Fire Diesel Pump	KW / Make	68 - Kirloskar Brothers	68 - Kirloskar Brothers
Hydrant Pump	KW / Make	75 - Kirloskar Brothers	75 - Kirloskar Brothers
Sprinkle Pump	KW / Make	75 - Kirloskar Brothers	75 - Kirloskar Brothers
STP Rating	KLD	240	150

Annexure - 4

Approvals and NOCs Received for the Project

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

Approvals Received

- a) Approved Masterplans
- b) Consent to Operate valid for all operational buildings except Amenity Building
- c) Full Occupancy Certificates for all buildings for B8 and B9
- d) Height Clearance NOC from AAI for all buildings
- e) Fire NOC for all buildings
- f) Environmental Clearances for all buildings
- g) Consent for Establishment for all buildings

Approvals Pending

- a) B8– CTO applied not received

Annexure - 5

Ready Reckoner Rate Applicable for the Project

Ready Reckoner Rate for the Land

Unit Rates - Locality Wise

District Name : MEDCHAL-
MALKAJGIRI Mandal Name : GHATKESAR City/Town/Village : POCHARAM

S.No.	Ward-Block	Locality	Land Value (Rs. per Sq.Yard)	Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
1.	0 - 1	POCHARAM	6,300	01(Residential)	01/02/2022	Get
2.	0 - 2	POCHARAM	6,300	01(Residential)	01/02/2022	Get
3.	0 - 3	ANNANAGAR COLONY#1 to 232	6,300	01(Residential)	01/02/2022	Get
4.	0 - 11	APHB & LIG	6,300	01(Residential)	01/02/2022	Get
5.	0 - 12	SANSKURTHI TOWN SHIP	6,300	01(Residential)	01/02/2022	Get
6.	0 - 13	RAHEJA#1 to 44	6,300	01(Residential)	01/02/2022	Get

Ready Reckoner Rate for the Built-up Area

Unit Rates - Locality Wise

District Name : MEDCHAL-
MALKAJGIRI Mandal Name : GHATKESAR City/Town/Village : POCHARAM

S.No.	Ward-Block	Locality	Apartment value (Rs. per Sq.Ft)			Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details - Rates
			Ground Floor	First Floor	Other Floors			
1.	0 - 1	POCHARAM	2,200	2,200	2,200	01(Residential)	01/02/2022	Get
2.	0 - 2	POCHARAM	2,200	2,200	2,200	01(Residential)	01/02/2022	Get
3.	0 - 3	ANNANAGAR COLONY#1 to 232	2,200	2,200	2,200	01(Residential)	01/02/2022	Get
4.	0 - 11	APHB & LIG	2,200	2,200	2,200	01(Residential)	01/02/2022	Get
5.	0 - 12	SANSKURTHI TOWN SHIP	2,200	2,200	2,200	01(Residential)	01/02/2022	Get
6.	0 - 13	RAHEJA#1 to 44	2,200	2,200	2,200	01(Residential)	01/02/2022	Get

Annexure - 6

Cash Flow of the Project

Table 7.5 Discounted Cash Flow (INR Mn)

Sl. No.	Particulars	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
	Development / Construction Phasing		-	-	-	-	-	-	-	-	-	-	-
	Total Development Cost to be Incurred		45.00	-	-	-	-	-	-	-	-	-	-
	Leasable Area		-	-	-	-	-	-	-	-	-	-	-
A	Base Rental		54.90	67.35	117.73	159.66	175.89	183.80	192.08	200.72	209.75	218.11	240.43
B	Car Parking Income		-	-	-	-	-	-	-	-	-	-	-
C	Fit-out rentals/ tenant improvements		-	-	-	-	-	-	-	-	-	-	-
D	Facility Rentals		54.90	67.35	117.73	159.66	175.89	183.80	192.08	200.72	209.75	218.11	240.43
E	Maintenance services income		24.34	29.45	51.83	72.28	79.68	83.66	87.84	92.24	96.85	101.69	106.77
F	Other Operating Income		0.55	0.67	1.18	1.60	1.76	1.84	1.92	2.01	2.10	2.18	2.40
G	Revenue from Operations		79.78	97.48	170.73	233.54	257.33	269.30	281.84	294.96	308.70	321.98	349.61
	Direct Operating Expenses												
H	Maintenance services Expenses		32.16	40.23	47.89	53.85	59.04	61.99	65.09	68.34	71.76	75.35	79.12
I	Property Tax		1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.80	1.86	1.91	1.97
J	Insurance Premium		1.18	1.22	1.25	1.29	1.33	1.37	1.41	1.45	1.50	1.54	1.59
K	Net Operating Income (NOI)		44.98	54.53	120.03	176.79	195.31	204.24	213.59	223.36	233.58	243.18	266.93
	Add: Terminal Cash Flow		-	-	-	-	-	-	-	-	-	3,108.98	-
	Indirect Operating Expenses												
L	Brokerage Fees		2.98	4.74	9.96	5.24	-	-	-	-	-	4.46	-
M	Property Management Fee		1.94	2.38	4.16	5.64	6.22	6.50	6.79	7.10	7.41	7.71	8.50
N	Other operational expenses		1.10	1.35	2.35	3.19	3.52	3.68	3.84	4.01	4.20	4.36	4.81
O	Net Cashflows		(6.04)	46.06	103.55	162.72	185.57	194.07	202.96	212.25	221.97	3,335.62	253.62

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

Table 7.6 Comparable Approach (Comparative Matrix for Value Estimate for -19 acres of land earmarked for future development)

Attribute Ranking	Project Site	Comparable 1 (A1)	P/D	Comparable 2 (A2)	P/D
Location, Proximity to Development and Neighbourhood Profile	Pocharam, Ghatkesar, Hyderabad	Pocharam, Ghatkesar, Hyderabad	0.0%	Pocharam, Ghatkesar, Hyderabad	-5.0%
Size of the Land Parcel (Acres)	19.00	8.00	-2.5%	4.00	-5.0%
Land Use restriction	Can only develop Commercial	Residential Use	-50.0%	Residential Use	-50.0%
Visibility and Frontage along the Access Road	Excellent visibility along the access road	Excellent visibility along the access road	0.0%	Excellent visibility along the access road	0.0%
Accessibility to the Property	Accessible through 80 feet wide road	Accessible through 80 feet wide road	0.0%	Accessible through 120 feet wide road	-2.5%
Presence of Secondary Access	There is no secondary access to the property	There is no secondary access to the property	0.0%	Yes, there is secondary access to the property	-2.5%
General Attributes - Contiguity, Topography, Shape, HT Line, Open Drain, etc.	The property is regular in shape, has relatively flat terrain and contiguous in nature.	The property is regular in shape, has relatively flat terrain and contiguous in nature.	0.0%	The property is irregular in shape, has relatively flat terrain and contiguous in nature.	2.5%
Price Appreciation / Margin for Negotiation		Transaction (Q2, 2022)	0.0%	Quoted (Q1, 2023)	-7.5%
Permissible FSI as per the Master Plan	1.00	1.00		1.00	
Transacted/Asking Unit Rate per FSI (INR Mn per acre.)		70.0		95.0	
<i>Total Adjustment</i>			-52.5%		-70.0%
Adjusted Price per Unit (INR Mn per acre.)	30.88	33.25		28.85	
Total Land Value INR Mn	586.63				

Annexure - 7

Material Litigations

1. Title litigation and irregularities

The Office of the Land Reforms Tribunal & Revenue Divisional Officer, Hyderabad ("**Tribunal**") had by its letter dated August 11, 2009, sought certain information from Serene Properties Private Limited (now MBPPL) under Section 8(2) of the Andhra Pradesh Land Reforms (Ceiling on Agriculture Holdings) Act, 1973 ("**APLRAC**") in respect of the land at Mindspace Pocharam.

Serene has filed a reply on September 30, 2009. The authorized officer has filed a counter and Serene has filed a rejoinder dated August 29, 2012. Serene has stated that the land transferred in favour of MBPPL was notified for industrial use and has been declared as an SEZ and is not "land" covered under the APLRAC. The proceedings are pending before the Special Grade Deputy Collector and Revenue Divisional Officer, Ranga Reddy District. In September 2012, MBPPL also submitted to the Tribunal a copy of the order dated August 9, 2012, which was passed by the Hon'ble High Court of Andhra Pradesh ("**High Court**") in a similar matter (being Writ Petition No. 19300/2012 filed by Neogen Properties Pvt. Ltd.) wherein a stay was granted by the High Court until further orders. The matter is currently pending before the Tribunal.

2. Regulatory actions

The Commissioner, Pocharam Municipality ("**Commissioner**") issued a show cause notice dated November 27, 2021 ("**SCN**") to KRCPL (instead of MBPPL) under the Telangana Municipalities Act, 2019 for removal of fence, and to leave open the cart track out of the land of MBPPL at Pocharam Village for the use of general public. The Commissioner has under the SCN alleged that KRCPL has encroached by erecting a fence to the said cart track. MBPPL, by its letter dated December 6, 2021, replied to the SCN stating that they are verifying the records and the relevant layouts pertaining to the subject and sought additional time to submit a detailed response and requested the Commissioner not to initiate any steps or proceedings in the interim.

The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 ("Income Tax Act") against Avacado, Gigaplex, KRIT, MBPPL, Chalet Hotels, Genext, Inorbit Malls, KRCPL, KRPL, Shoppers Stop and others ("Parties"). Pursuant to the Warrant, the Income Tax Department carried out a search on November 30, 2017. The search covered various matters for which notices were already issued from time to time. The search was concluded on December 6, 2017 at the office and residence of the Parties. Pursuant to the search, the Income Tax Department issued notices to each of the Parties under Section 153A of the Income Tax Act directing them to prepare and furnish true and correct returns of total income for assessment years ("AY") from 2008-2009, 2012-13 to 2017-18 within a stipulated timeline from the date of service of the notices and these returns have been furnished before the Income Tax Department. Further, the Income Tax Department issued notices under Section 142(1)/143(2) of the Income Tax Act for assessment years 2008-2009, 2012-13 to 2017-2018/2018-19, to the Parties seeking certain information. These details have been furnished before the Income Tax Department by the Parties from time to time.

MBPPL filed appeals before the CIT(A) against the order for AY 2012-13 to AY 2017-18 and against order for AY 2018-19. MBPPL made an application under the VsV for AY 2012-13, AY 2013-14 & AY 2014-15. MBPPL received final order for AY 2012-13, accepting the VsV Application. The appeal for AY 2015-16 and 2016-17 were disposed by the CIT(A) in favour of MBPPL with direction to the assessing officer. The appeal for AY 2012-13 was dismissed

by the CIT(A) in view of VsV order for the said year. VsV application for AY 2013-14 was rejected and the final order under VsV for AY 2014-15 is currently pending. The appeal for AY 2013-14 was disposed by the CIT(A) against MBPPL and an appeal has been filed before the ITAT against the same. Appeal filed before ITAT for AY 2013-14 has been withdrawn by MBPPL. The Income Tax Department filed an appeal for AY 2015-16 and AY 2016-17 before ITAT against the order of the CIT(A) and the same were disposed by the ITAT in favour of MBPPL. MBPPL received a notice under section 148 for assessment year 2014-15. MBPPL filed return of income under protest in response to the said notice for assessment year 2014-15 and also sought reasons for reopening the assessment. MBPPL received reasons for reopening and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order rejecting the objections filed. MBPPL filed a writ petition with the Bombay High Court against the notice under section 148 and rejection order. Bombay High Court has passed the order quashing the notice under section 148. Subsequently, Supreme Court has upheld the validity of the notice. MBPPL received notice u/s 148A(b) and response against the same has been submitted objecting to the reopening of assessment. The Income Tax Department passed an order under section 148A(d) rejecting the objections filed and served notice under section 148 of the Income Tax Act. The return of income was filed under protest in response to the said notice. MBPPL has filed Writ Petition before Bombay High Court against the notice u/s 148 and order u/s 148A(d).

Annexure - 8

Caveats and 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 JLL 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 considering the forecasts on demand, supply and pricing as undertaken by JLL 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 K Raheja Corp Investment Managers LLP (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 considered the independent market report prepared by JLL and 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 Project primarily comprising Land and Building and any part thereof and does not constitute any audit, survey, due diligence, tax related services etc. 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 Project 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 Client 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 believed bona-fide 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 Project or assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. Review of tenants' ability and willingness to continually pay lease rents as per their respective contractual terms is not within the scope of work of Valuer. Valuer has assumed that all tenants' will be able to pay their rents on time as and when demanded as per their contractual terms and that no arrears exist with respect to any tenancy.
7. 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 as agreed in the LOE (Letter of Engagement). 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.
8. 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 except set out herein.
9. 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.