



# **VALUATION REPORT**

**UNIT NO. 203, 2<sup>nd</sup> OFFICE FLOOR, BUILDING 4,  
COMMERZONE YERWADA, PUNE**

Date of Valuation: 31<sup>st</sup> March 2025

Date of Report: 22<sup>nd</sup> April 2025

## **Report For:**

**K. Raheja Corp. Investment Managers Private Limited (acting as  
Investment Manager to Mindspace Business Parks REIT) and  
Mindspace Business Parks Private Limited ("MBPPL")**



### Disclaimer





*This report is prepared exclusively for the benefit and use of MREIT, Manager and MBPPL ("Recipient" or "Client") and / or its associates for the valuation of the property christened Unit no, 203, 2nd Office Floor, Building 4, Commerzone Yerwada (the "Property") owned by Milletech Datasoft Systems Private Limited ("Milletech") which is proposed to be acquired ("Proposed Acquisition") by MBPPL (subject to board and other approvals, due diligence and commercial negotiations), 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 does not carry any right of publication to any other party. Mindspace Business Parks REIT ("MREIT", "Trust", "REIT", "Mindspace REIT") is a Real Estate Investment Trust under the Securities and Exchanges Board of India (Real Estate Investment Trust), 2014 and amended till date ("SEBI REIT Regulations"). The Client may share the report with its appointed advisors for any statutory or reporting requirements, in connection with the disclosure of valuation of assets. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon in the Letter of Engagement ("LOE") dated January 2, 2025 without the prior written consent of the Valuer.*

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

*This report has been prepared upon the express understanding that it will be used only for the purposes set out in the LOE dated January 2, 2025 . The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.*

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

## Executive Summary

Unit no. 203, 2nd Office Floor, Building 4 in Commerzone Yerwada, Pune		
<b>Valuation Date:</b>	31 <sup>st</sup> March 2025	 View of Subject Property   Access Road of Subject Property   View of Subject Property   View of Parking of Subject Property
<b>Valuation Purpose:</b>	Proposed purchase of a property by MBPPL	
<b>Subject Property:</b>	<p>Office space, admeasuring ~ 7,857 sq. ft of leasable area located at 2nd Office Floor, Unit no. 203 in Building 4 of Commerzone Yerwada is herein referred to as the “Subject Property”.</p> <p>Commerzone Yerwada is a Grade A, IT Park located in Yerwada, Pune, comprising a total of eight IT office buildings and one Amenity building. Subject Property located on Second Office floor is has entry from finished lobby space and is vacant.</p> <p>Commerzone is spread over ~25.7 acres of land parcel. It enjoys good frontage and has flat topography, and it is well connected to major locations in the city via road network.</p>	
<b>Location / Situation:</b>	The Subject Property is a part of Commerzone Yerwada. The Subject Property is located in the established eastern secondary business district (SBD-East) of Pune. Subject Property is approximately 5 kms from Pune International Airport and approximately 7 kms from Pune Central Railway Station. Tech Park One, Business Bay, Nyati Unitree, Muttha Towers are some of the prominent commercial developments located in the vicinity of the Subject Property.	
<b>Description:</b>	The Subject Property admeasures ~7857 sq. ft. of leasable area which is 100% vacant as on the date of valuation.	
<b>Total Area:</b>	Total Leasable Area: 7,857 sq. ft.	
MARKET VALUE OF THE SUBJECT PROPERTY		
INR 82 million		
INR 10,441 per sq.ft. of leasable area		
This summary must not be copied, distributed or considered in isolation from the full report.		



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

**To:** K Raheja Corp Investment Managers Private  
Limited and Mindspace Business Parks Private  
Limited (“MBPPL”)

**Property:** Unit no. 203, 2<sup>nd</sup> Office Floor, Building 4 in Commerzone Yerwada,  
Pune

**Report Date:** 22<sup>nd</sup> April 2025

**Valuation Date:** 31<sup>st</sup> March 2025

## **A REPORT**

### **1 Instructions**

K Raheja Corp Investment Managers Private Limited, has appointed Ms Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of property comprising commercial office real estate asset located in Pune (herein referred as “Subject Property” across the report) owned by the Milletech Datasoft Systems Private Limited ("Milletech") which is proposed to be acquired (subject to necessary approvals including board approvals, due diligence and commercial negotiations) (“Proposed Acquisition”) by MBPPL, in accordance with Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange. The property and interests valued as part of this valuation exercise are detailed in Part B of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 9 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

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

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

Anuradha has more than 18 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining Cushman, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. Anuradha worked with SIVA group in the M&A practice where she was involved with the financial appraisal and valuation of real estate projects. Prior to this she has worked with



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

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

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

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

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

### **4 Purpose of Valuation**

The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation to purchase of the Subject Property by MBPPL and for any documents to be filed with Stock Exchange Board of India or other regulators, other documents pertaining to fund raising, investment materials, research reports, press releases, notice, or communication to unitholders or lenders or sellers (collectively, the "Documents").

### **5 Basis of Valuation**

It is understood that the valuation is required by the Client which is proposed to be acquired ("Proposed Acquisition") by MBPPL, in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purposes. The valuations have been conducted in accordance with the IVSC International Valuation Standards, (effective 31 January 2022, as applicable on the date of valuation) and in accordance with the requirements of the SEBI REIT Regulations, 2014, as amended from time to time.





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

## **6 Valuation Approach & Methodology**

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

### **Market Approach**

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

### **Income Approach**

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

#### **Income Approach – Direct Capitalization Method**

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

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

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

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

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

#### **Justification for using Discounted Cash Flow (DCF) methodology.**

The Discounted Cash Flow (DCF) methodology under the Income Approach was chosen for valuing the





Commerzone property in Yerwada, Pune, primarily due to its ability to project future cash flows for a vacant property. Since the property is currently unoccupied, the DCF approach is well-suited to account for the potential future income it can generate once leased. This method allows for a detailed projection of rental income based on assumptions about lease-up periods, rental growth, and market conditions over the holding period. As the property is not currently generating income, future rental income is critical in determining its intrinsic value. Given the fluctuating nature of real estate markets—including variations in negotiated rents, supply-demand dynamics, and potential future rental growth or decline—the DCF method provides a more nuanced and accurate valuation by incorporating these factors. Furthermore, the DCF approach enables a more granular valuation by reviewing each lease individually, ensuring that unique lease terms, such as rental escalations and tenant retention, are accurately incorporated. This makes the DCF methodology particularly well-suited to account for both the property's current status and its potential future income.

*For the purpose of the valuation of Subject Property, Discounted Cash Flow Method using rental reversion has been adopted*

## **7 Assumptions, Departures and Reservations**

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

## **8 Inspection**

The Property was visually inspected on January 17, 2025, by the valuer, however no measurement or building survey has been carried out as part of the valuation exercise and the Valuer has relied entirely on the site areas provided by the Client, which has been assumed to be correct.

## **9 General Comment**

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

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

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

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

## **10 Confidentiality**

The contents of this Report are intended for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents



except as maybe required in connection with disclosure of valuation of assets under the applicable law for the purpose of proposed acquisition by MBPPL which is SPV of Mindspace Business Park REIT .

## **11 Authority**

The Client acknowledges and agrees that the Valuer's services hereunder (including, without limitation, the Deliverables itself and the contents thereof) are being provided solely to the Client in relation to the Acquisition and disclosure in the Documents and in the valuation report, as may be required.

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

The Report shall be addressed to the Client and will be subject to the Caveats & Limitations described in Annexure 9 attached hereto and incorporated herein by reference.

The Parties to this engagement represent that they are authorized to enter into this engagement and the individuals signing this engagement are authorized representatives of the respective parties.

## **12 Reliant Parties**

The reliance on the valuation reports prepared as part of this engagement to K Raheja Corp Investment Managers Private Limited ("Manager"), the Mindspace Business Parks Private Limited ("MBPPL"), Mindspace REIT and Stock Exchanges, Credit rating agencies, lenders of Mindspace REIT and or its SPVs holders/proposed investors and Axis Trustee Services Limited, the trustee to the Mindspace REIT (Trustee") for the purpose as highlighted in this report (valuation). The reliant parties shall also include auditors, lawyers and book running lead managers appointed in connection with the Acquisition. The Valuer, however, would extend no liability to such reliant parties.

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

## **13 Limitation of Liability**

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



The Valuer acknowledges that it shall consent to be named as an ‘expert’ in the Documents and that its liability to any person, in its capacity as an expert and for the Report, shall be without any limitation and in accordance with law. In the event that the Client, the sponsors, the trustee, the REIT, the intermediaries appointed in connection with the Acquisition be subject to any claim (“Claim Parties”) in connection with, arising out of or attributable to the Report, the Claim Parties will be entitled to require the Valuer to be a necessary party/respondent to such claim and he shall not object to his inclusion as a necessary party/ respondent. In all

such cases, the Client agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel’s fee) incurred by him while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defense in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against him in this regard.

#### **14 Disclosure and Publication**

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

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

Both Parties represents, warrants and undertakes that:

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

It is further agreed that breach of any of the above undertakings shall be deemed to be a material breach of the Agreement and in case 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 her part.

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



## **B PUNE CITY REPORT**



## 1 Pune Office Market Overview

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

Particulars	India*	Pune	CBD	SBD East	SBD West	PBD East	PBD West
<b>Total completed stock Q1 2025 (Million sq. ft.)</b>	675.5	78.28	6.55	42.00	10.30	2.81	16.61
<b>Current occupied stock Q1 2025 (Million sq. ft.)</b>	577.5	68.00	5.22	37.68	9.90	1.97	13.23
<b>Current Vacancy Q1 2025 (%)</b>	14.5%	13.1%	20.4%	10.3%	3.8%	30.0%	20.4%
<b>Future Supply – Q1 2025 - 2027 (Million sq. ft.)</b>	176.3	25.50	3.97	15.05	2.10	0.00	4.38
<b>Market Rent – Q1 2025 (INR/ sq. ft./ month)</b>	101	90	108	99	92	68	62

Source: Cushman & Wakefield Research

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

Location Key:

*CBD – Laxmi Road, Camp, Bund Garden, Boat Club, Koregaon Park, Dhole Patil Road, Pune Station, Shivaji Nagar, FC Road, JM Road, Wakdewadi, SB Road, Model Colony, Ganeshkhind Road, etc.*

*SBD East – Kalyani Nagar, Kharadi, Mundhwa, Yerwada, Nagar Road, Viman Nagar, Hadapsar, Kondhwa, etc.*

*SBD West – Aundh, Baner, Pashan, Kothrud, Karve Nagar, Khadki, Paud Road*

*PBD East – Phursungi, Wagholi, Charoli, Solapur Road, Saswad Road, KatraJ, etc.*

*PBD West – Hinjewadi, Wakad, Pimpri, Bhosari, Chinchwad, Bavdhan, Mulshi, Talawade, Tathawade, Nanded, Pimple Saudagar, etc.*

Pune, often referred to as the "Oxford of the East" and the "Detroit of India," is a thriving city in the state of Maharashtra. Over the years, Pune has evolved into a multifaceted hub, hosting various industries and educational institutions. Here are some key aspects that drive the demand for office space in the Pune region:

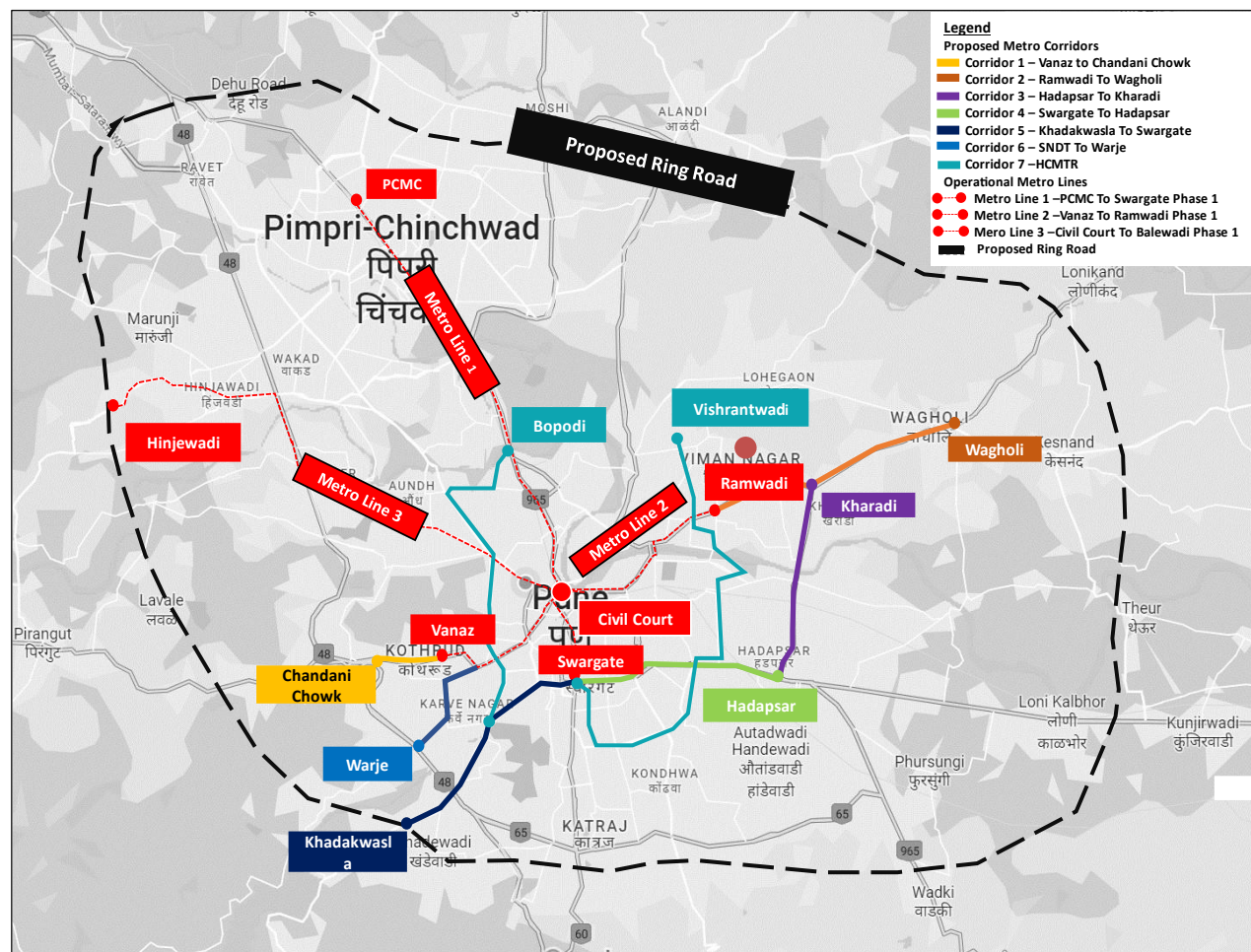


The key drivers of demand for office space in Pune are as follows:

- **Automobile and Manufacturing Industry:** Known as the "Detroit of India," Pune has a robust presence in the automobile and manufacturing sectors. Several automotive giants and manufacturing units have established their operations in the city. This sector's growth contributes significantly to the demand for office spaces accommodating corporate offices, research and development centers, and production facilities.
- **IT Parks and Special Economic Zones (SEZs):** Pune has witnessed a surge in the development of IT parks and SEZs, providing a conducive environment for IT and business process outsourcing (BPO) companies. These zones foster innovation, collaboration, and business growth, attracting both domestic and international firms.
- **Strategic Location:** Pune's strategic location, situated between Mumbai and Bangalore, two major economic hubs, enhances its accessibility and connectivity. The city is well-connected by road, rail, and air, making it an attractive location for businesses seeking a central presence in India.
- **Infrastructure Development:** Pune has witnessed significant infrastructure development initiatives, including metro rail projects, road expansions, and the expansion of Pune International Airport. These ongoing and planned projects enhance the city's connectivity and make it more conducive for business operations.
- **Educational and Social Infrastructure:** Pune boasts a well-developed social infrastructure, including reputed educational institutions, healthcare facilities, shopping malls, and recreational spaces. This creates a desirable living and working environment, attracting professionals and their families.

## 1.1 Existing and Upcoming Infrastructure – Pune

The State Government of Maharashtra has undertaken a number of initiatives to reduce the infrastructure inadequacies that Pune city is facing due to increasing population density in the city. Some of the key infrastructure initiatives undertaken (which are either completed, under implementation or at an advance planning stage) by the State Government are:



**Subject Property**

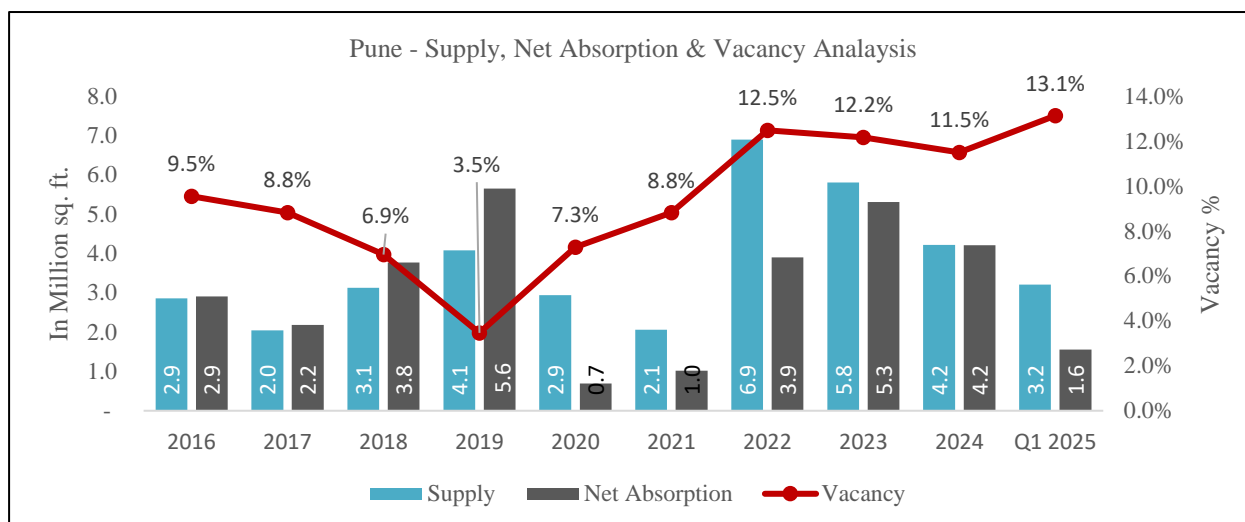
Map Not to Scale

Particulars	Existing	Upcoming
<b>Metro Line 1</b>	PCMC to Swargate (17.4 Km)	<ol style="list-style-type: none"> <li>1. Khadakwasla to Swargate</li> <li>2. Swargate to Hadapsar</li> <li>3. Hadapsar to Kharadi</li> </ol>
	Operational Between – PCMC to Swargate	
<b>Metro Line 2</b>	Vanaz to Ramwadi (15.7 Km)	<ol style="list-style-type: none"> <li>1. Vanaz to Chandni Chowk</li> <li>2. Ramwadi to Wagholi</li> </ol>
	Operational Between – Vanaz to Ruby Hall Clinic	
<b>Metro Line 3</b>	-	<ol style="list-style-type: none"> <li>1. Civil Court to Hinjewadi</li> </ol>



## 1.2 Pune- Supply, Absorption & Vacancy

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

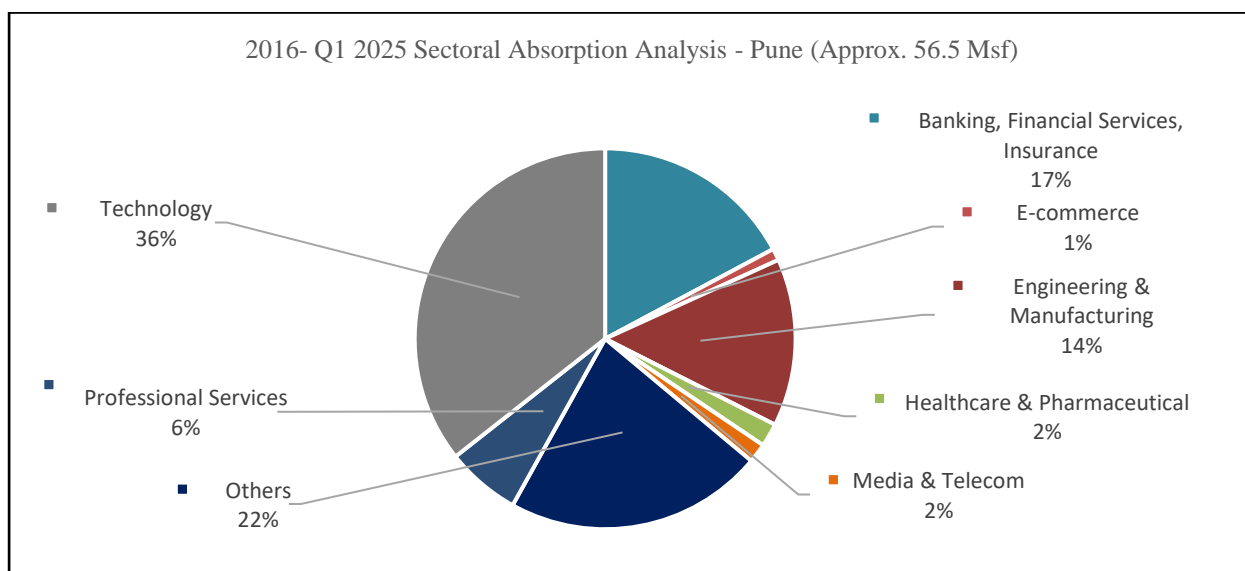


Source: Cushman Wakefield Research

Net Absorption: Refers to the difference between the occupied stock for two subsequent periods.

## 1.3 Pune- Sector Demand Analysis

The following chart depicts sectoral absorption analysis of Pune (2016-Q1 2025):



Source: Cushman & Wakefield Research

Note: Others include automobile, education, flexible workspaces, hospitality, logistics and shipping, oil and gas, research and analysis, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the city i.e., including any relocations and consolidations.



Technology is one of the largest sectors in Pune which has generated a demand of ~36% since 2016. Pune being a booming IT hub in India witnesses sustained demand from this sector. Due to favourable rentals for office spaces, larger floor plates, availability of talent pool at affordable cost, traction from the Technology sector has witnessed a growth in the recent years. It is followed by the Others and the BFSI sector contributing to ~22% and 17% of the demand since 2016 respectively. Demand from industries like Engineering & Manufacturing, professional services, healthcare and pharmaceuticals sector has also witnessed increased traction in recent years.



## **2 Commerzone Yerwada Micro-Market**

### **2.1 SBD East has emerged as the leading Front Office Market**

The SBD East micro-market in Pune has emerged as a dynamic hub for corporate activities, reflecting a distinctive shift in the city's commercial real estate landscape. Comprising prominent areas such as Magarpatta City and Kharadi, this micro-market has become a focal point for major corporates, commanding premium rentals compared to other parts of Pune.

SBD East boasts a unique mix of IT parks and non-IT office developments, creating a diverse tenant profile. The Maharashtra IT Policy has played a significant role in shaping the landscape, with large IT parks dominating the scene. These developments adhere to specific guidelines, aligning with the state's IT policies.

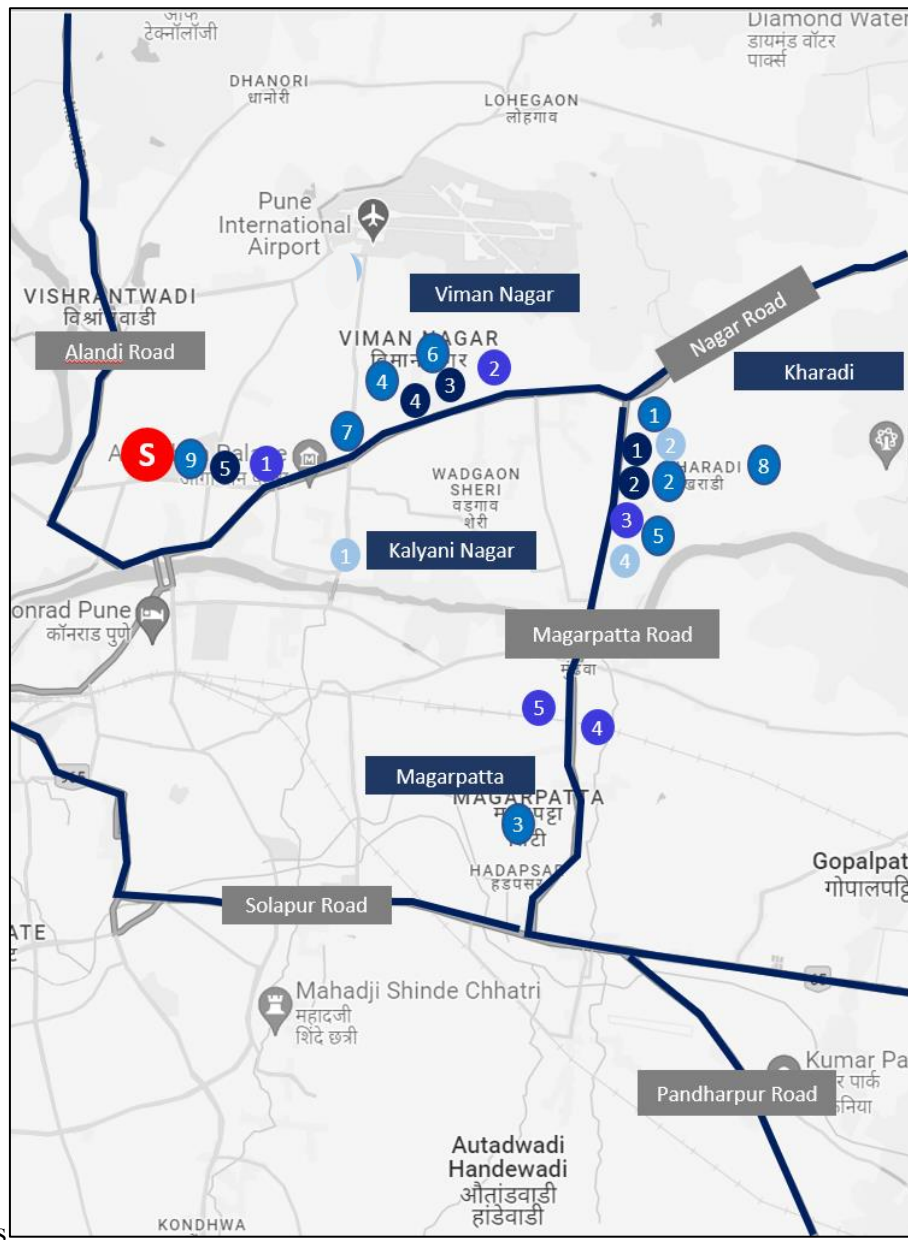
Historically, the BFSI sector preferred the central areas of Pune for their proximity to premium residential zones catering to senior management. However, a noticeable trend has seen occupiers shifting their preference from the traditional locations to SBD East. The micro-market has positioned itself as an attractive destination due to continually improving infrastructure, accessibility from premium residential catchment areas, and a big talent pool.

The SBD East micro-market has seen consistent Grade A supply, offering quality assets to occupiers. The current vacancy rate in the overall Grade A front office market is around 10.3%.

Looking ahead, the SBD East micro-market is poised for further growth, with approximately 15 msf of Grade A supply expected to be delivered by 2027. Noteworthy projects by leading developers, such as Mapletree, Mindspace, Amar builders, Panchshil Realty, etc are set to contribute to the micro-market's expansion, solidifying its position as a premier destination for corporate offices in Pune.

### **2.2 Secondary Business District East Office Market Overview**

Yerwada is part of the Eastern Secondary Business District (SBD-East) of Pune. SBD-East has emerged as one of the most established micro-markets of Pune. This micro market has witnessed a surge in take up over the past promise, of years due to its proximity to airport and Ahmednagar Road also known as Nagar Road, availability of large floor plates and quality of developments. SBD-East micro-market houses well-known commercial developments like Eon-IT Park, Gera Commerzone Kharadi, Commerzone Yerwada, World Trade Centre, Magarpatta Cyber City, Weikfield IT Park etc. Major tenants include Banking & Financial Institutions, IT/ITES, Consulting and Engineering companies are operational in this micro-market. It is home to major IT and ITes and BFSI companies such as HSBC, Tech Mahindra, BNY Melon, Citi Bank, Deutsche Bank, ZS Associates, etc. Due its proximity to Airport and strong social infrastructure and better connectivity to the rest of the Pune City, this micro-market has emerged as one of the most preferred commercial destinations. Developers such as Panchshil Realty, Gera Development, K Raheja Corp, CapitaLand India, Phoenix, etc. Developers have their projects in the micro market.



**S** Subject Property

Map Not to Scale

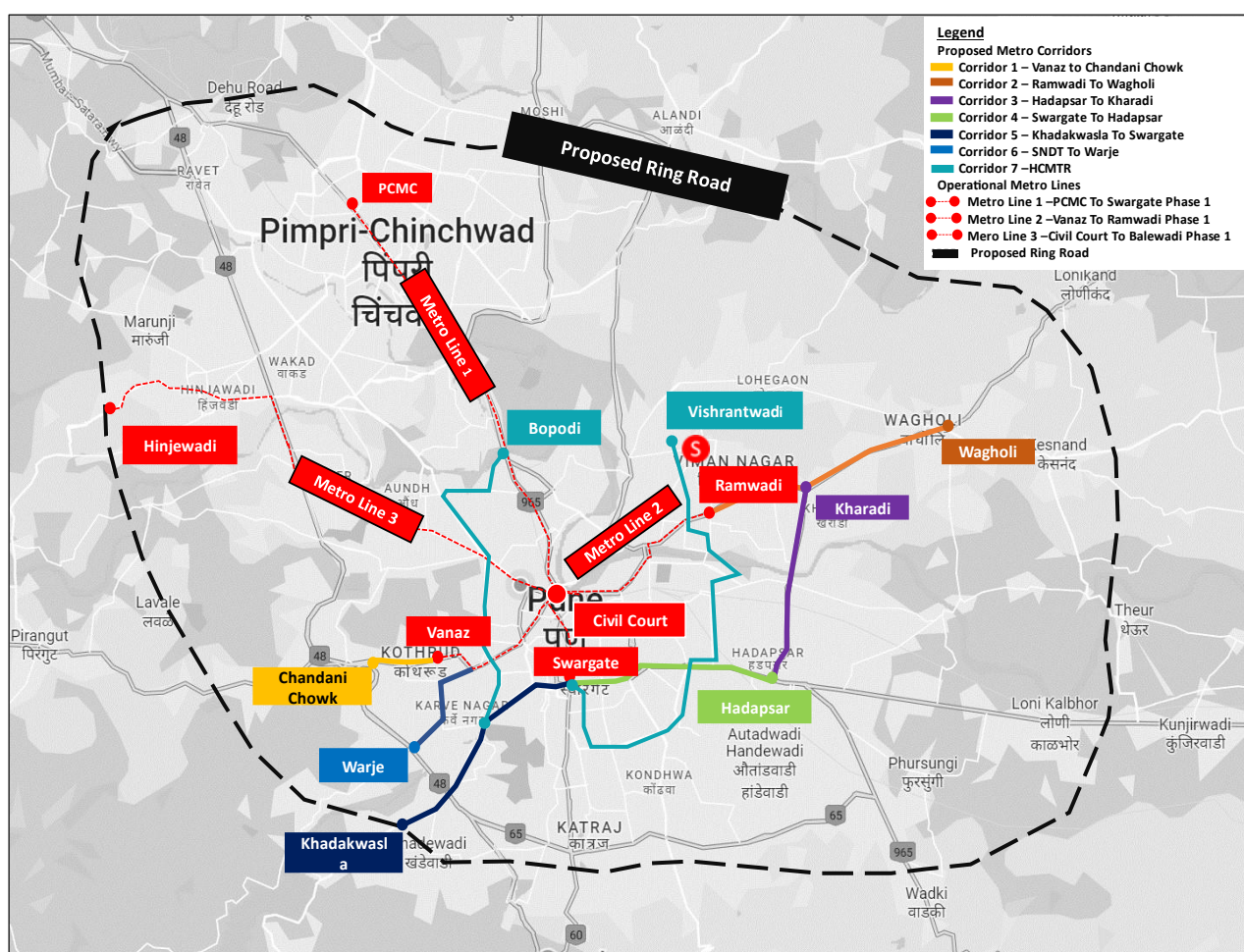
● Key Commercial Developments 
 ● Social Infrastructure 
 ● Hospitality Developments 
 ● Proposed Commercial Developments



Key Commercial Developments	Social Infrastructure	Hospitality Developments	Proposed Commercial Developments
1. ITPP Kharadi	1. Sahayadri Super Speciality Hospital	1. Radison Blue Kharadi	1. Panchshil Business Hub
2. EON Free Zone	2. Phoenix Market City	2. Fairfield by Marriott	2. AP IT Park
3. Magarpatta Cyber City	3. Manipal Hospital	3. Hyatt Regency	3. Vantage -Tower A
4. Phoenix Fountainhead	4. Amanora Town Centre	4. ibis Pune	4. Nyati Enthral 2
5. World Trade Centre	5. Seasons Mall	5. Ritz Carlton Pune	5. Global Business City
6. Panchshil Business Park			6. Zen One
7. Amar Tech Center			
8. Gera Commerzone Kharadi			
9. Commerzone Yerwada			

Source: Cushman and Wakefield Research

## 2.3 Existing and Upcoming Infrastructure – SBD East



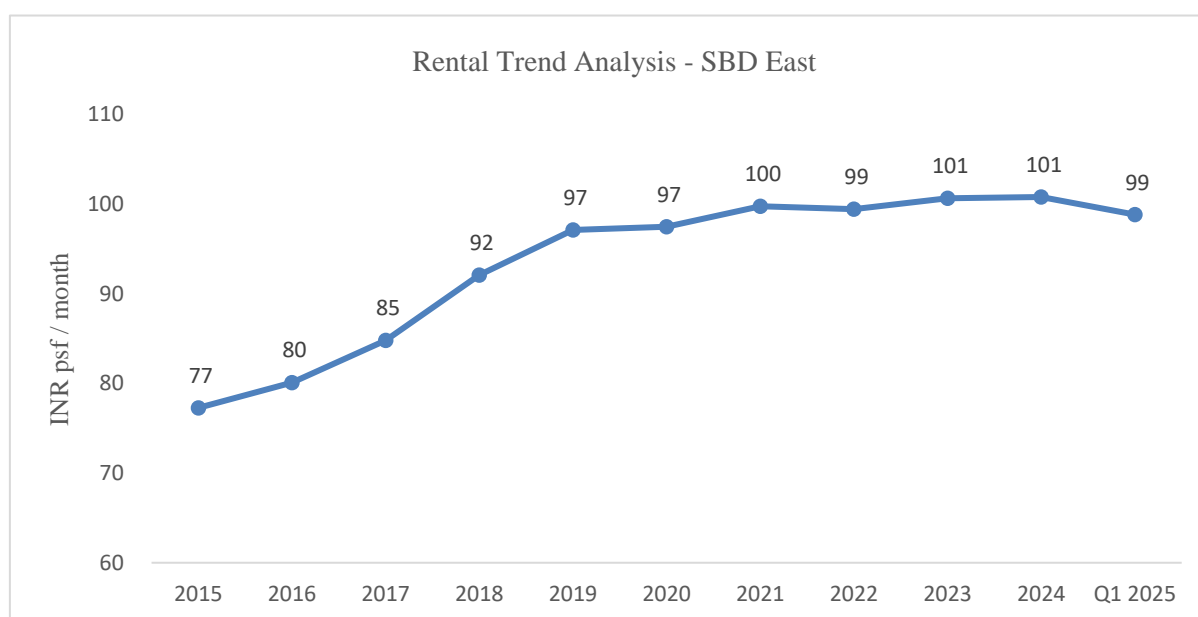
**S Subject Property**

### Pune Metro Rail Project – SBD East

Particulars	Existing	Upcoming
<b>Metro Line 2</b>	Vanaz to Ramwadi (15.7 Km) Operational Between – Vanaz to Ruby Hall Clinic	1. Vanaz to Chandni Chowk 2. Ramwadi to Wagholi

## 2.4 Micro Market- Rental Trend Analysis

The vacancy levels in the Secondary Business District East (SBD East) micro market have increased from 7.0% in 2022 to 10.3% in Q1 2025. Current quoted market rentals in SBD East are in the range of INR 70 - 135 per sq. ft./ month. During the period from 2016 to 2019, the micro market recorded a rental growth of CAGR ~6.6%, reflecting strong demand fundamentals and rental momentum under normal market conditions. However from 2021 to Q1 2025, rental growth was muted, largely due to robust supply. In addition, it has been observed that there is high demand for Commercial Office Developments by Grade A developers (viz. Mindspace REIT, Panchshil Realty, CapitaLand, Phoenix, etc.) Further, the upcoming Grade A developments like upcoming buildings Panchashil Business hub, Panchshil Trade Centre, AP IT Park, Global Business City, etc are going to improve absorption in this micro market and rentals are expected to witness an upward trend.



*Source: Cushman Wakefield Research*

*Note: The rentals are basis the prevailing quotes in the micro market. Actual achievable rent may vary +/- 5% depending upon negotiations, final structuring of the lease agreement and other parameters.*





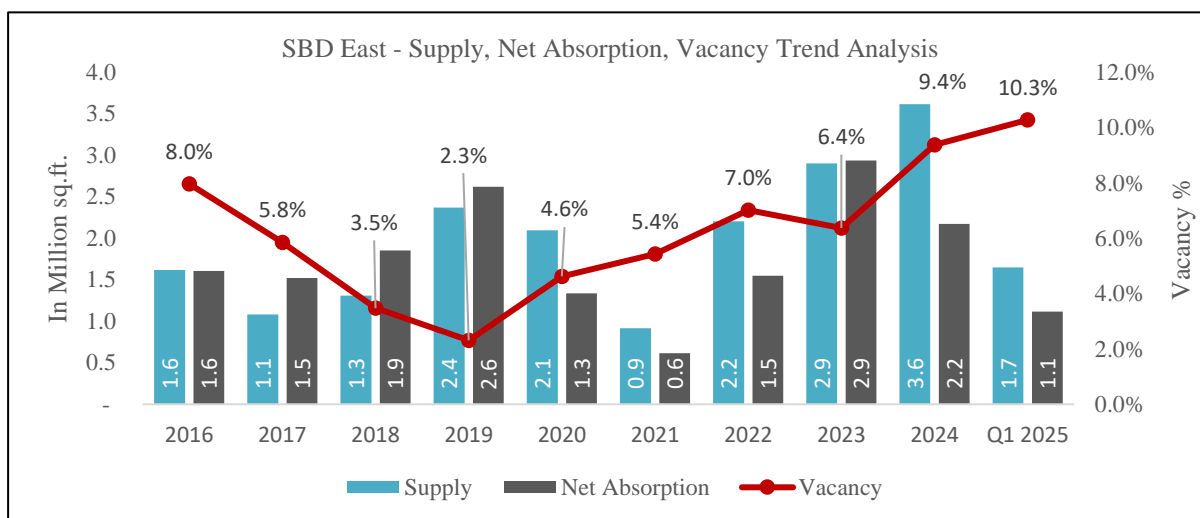
Some of the prominent transactions in the SBD East are tabulated below-

Tenant	Development	Location	Area Leased (Mn sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of facility
Redbrick	Poloroche Business Avenue	Viman Nagar	137,000	Q1 2025	80 - 85	Warm Shell
Infosys	Gera Commerzone	Kharadi	72,174	Q1 2025	80 - 85	Warm Shell
Tech Mahindra	Commerzone B8	Yerwada	56,000	Q1 2025	75 - 80	Warm Shell
AWFIS	Binarius	Yerwada	53,350	Q1 2025	75 - 80	Warm Shell
Glatt Systems	Veikfield IT Info Citi Park	Viman Nagar	44,000	Q1 2025	93 - 98	Plug & Play
Kochi Cyber Greens Pvt Ltd	Prestige Alphatech	Kharadi	29,317	Q1 2025	75 - 80	Plug & play
Mastercard	Park City	Kalyani Nagar	200,111	Q4 2024	85-90	Warmshell
Deutsche Bank	Business Bay - Tower A	Yerwada	199,505	Q4 2024	85-90	Fully Furnished
JP Morgan	ITPP Kharadi Block 2	Kharadi	112,000	Q4 2024	85 - 90	Bare Shell

Source: Cushman and Wakefield Research

## 2.5 Micro Market- Supply, Absorption & Vacancy.

A snapshot of the supply, absorption and vacancy trend for SBD East is as below-



Source: Cushman Wakefield Research

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

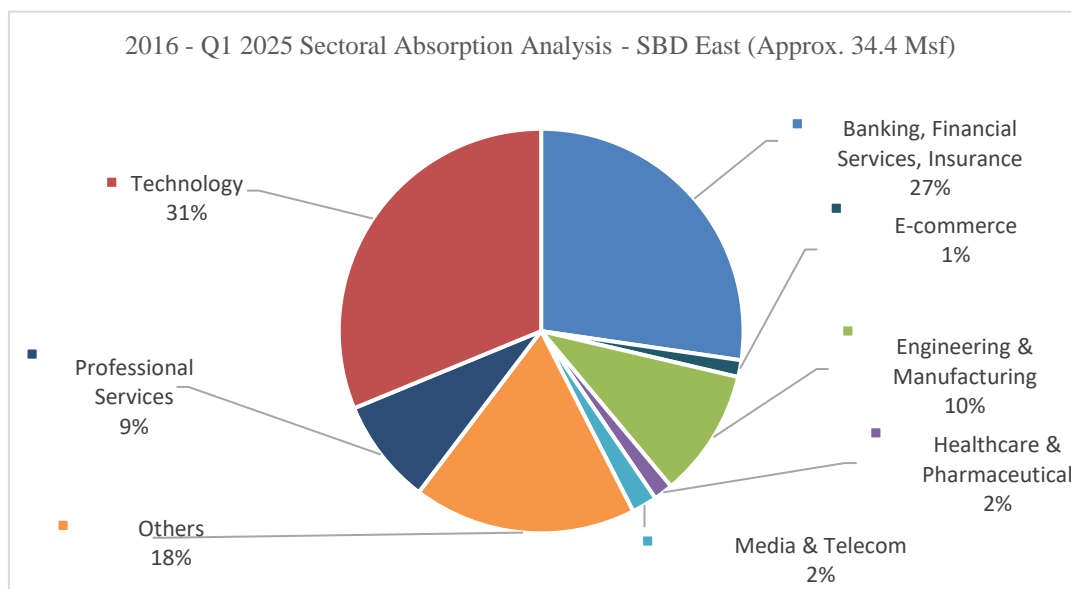
Net Absorption: Refers to the difference between the occupied stock for two subsequent periods.

Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders.

- The total stock of commercial office space in SBD East as on Q1 2025 is approximately 41.9 million sq. ft. (Grade A office space)
- The total net absorption of commercial office space in SBD East during 2024 has been approximately 2.2 million sq. ft. and during Q1 2025 total net absorption was approximately 1.1 million sq. ft.
- The supply in this micro market as of Q1 2025 was 1.7 million sq. ft. in comparison to the 2.9 Million sq. ft. supply in 2023. Also, the future supply in this micro market from 2025 to 2027 is ~15.04 Million sq. ft.
- The vacancy level for office space in SBD East increased to 10.3 % in Q1 2025 from 9.4 % in 2024. The reason can be attributed to robust supply in Q1 2025 in SBD East micro market compared to the absorption.

## 2.6 SBD – East - Sector Demand Analysis

The following chart depicts sectoral absorption analysis of SBD East (2016-2025):



Source: Cushman & Wakefield Research

*Note: Others include automobile, education, flexible workspaces, hospitality, logistics and shipping, oil and gas, research and analysis, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the city i.e., including any relocations and consolidations.*

SBD East micro market is one of the biggest micro markets having large concentration of IT and BFSI tenants. This is primarily due to availability of premium grade A developments, enhanced connectivity through different modes of transportation, proximity to other office nodes etc.

Occupiers from Technology sector contributed to ~31% of leasing activity in SBD East. SBD East stock represent ~88% of the total stock amongst the Front Office Markets in Pune and accounts for ~53% of the gross absorption in the same. Further, the micro-market contributes to ~27% of the gross absorption within the BFSI sector and ~31% within the Technology sector.

Technology sector has contributed to 31% of the total gross absorption in the micro-market. Capgemini, Genpact, Mphasis, HCL, L&T Infotech are some of the prominent tenants from Technology sector which leased offices in SBD East micro market. BFSI sector has contributed to ~27% to the leasing activity.



Some of the prominent operational commercial developments in SBD East include:

Building Name	Developer	Location	Year of Completion	Completed Super Built-up area (Million sq. ft.)	Vacancy as on Q1 2025 (Mn sq. ft.)	Warm shell Quoted Rentals (INR per sq. ft. per month)	Main Occupiers
Eon Free Zone	Panchshil Realty	Kharadi	2008 - 2019	6.6	0.14	120 -125	L&T, Mphasis, Genpact
Commerzone Yerwada	Mindspace	Yerwada	2008 - 2015	2.9	0.0	74 - 81	Cadence, Nvidia, Tech M, UBS
World Trade Centre	Panchshil Realty	Kharadi	2011 - 2020	2.2	0.0	95 - 105	Wework, POSCO, Fiat
Gera Commerzone	Mindspace	Kharadi	2019 - 2024	2.6	0.5	89 -110	BP Business Solutions India Pvt Ltd, Allstate, CrowdStrike
Capitaland ITPP 1 & 2	CapitaLand	Kharadi	2020 - 2024	2.9	0.9	85 – 95	Deloitte, KPMG, Tablespace
Park City B1	Brookfield	Kalyani Nagar	2023	0.9	0.5	110 - 120	Mastercard

*Source: Cushman and Wakefield Research*

Some of the prominent under construction commercial developments in SBD East are:

Building Name	Developer	Location	Year of Completion	Leasable Area (Million sq. ft.)	Construction Status
AP IT Park Phase 1	Amar Builders	Kharadi	2026	2.0	Under Construction
Global Business City	Mapletree	Kharadi	2025-2026	2.4	Under Construction
Panchshil Business Hub	Panchshil Realty	Kharadi	2025	1.3	Under Construction
Nyati Enthral 2	Nyati Group	Kharadi	2025	0.3	Under Construction
Keppel Land	Keppel Corporation	Kharadi	2025	1.2	Under Construction
Park City B2	Brookfield	Yerwada	2026	0.9	Under Construction

Source: Cushman and Wakefield Research

## 2.7 Key Statistics for SBD East:

Particulars	Details
<b>Total completed stock (Q1 2025)</b>	Approximately 41.9 Million sq. ft.
<b>Current occupied stock (Q1 2025)</b>	Approximately 37.7 Million sq. ft.
<b>Current Vacancy (Q1 2025)</b>	Approximately 10.3 %
<b>Future Supply (2025 – 2027)</b>	Approximately 15.1 Million sq. ft.

Source: Cushman and Wakefield Research

Note: Cushman & Wakefield has considered the future supply after analyzing each of the project based on the physical progress of the project, available information on approvals and interactions held with various stake holders



## 2.8 Office Market Outlook

The total commercial stock in eastern Secondary Business District (SBD East) as of Q1 2025 is approximately 41.9 million sq. ft. (approx. 54% of the city's total stock of commercial office stock). Current quoted market rentals in SBD East are in the range of INR 70 -135 per sq. ft./ month. Due to locational advantages, the developments in SBD East tend to command higher rental rates. During the period from 2016 to 2019, the micro market recorded a rental growth of CAGR ~6.6%, reflecting strong demand fundamentals and rental momentum under normal market conditions. However from 2021 to Q1 2025, rental growth was muted, largely due to robust supply. SBD East has seen a new high in net absorption since 2016. SBD East has seen average annual net absorption of approximately 1.8 million sq. ft. between 2016 to Q1 2025. Vacancy in this micro market has increased from 7 % in 2022 to 10.3 % in Q1 2025 owing to high supply in the micro market. Basis the lease rates and the capitalisation rates prevailing in the micro market, the capital value of Grade - A office spaces is in the range of INR 10,500 to 12,000 per sq. ft. on leasable area.

The Subject Property is a part of Commerzone Yerwada admeasuring ~7,857 Sq. Ft of leasable area and is vacant as of March 2025. The achievable rent in this park is in the range of INR 72 -75 per sq. ft. per month (70% Efficiency). Looking ahead to the future, SBD East is anticipated to experience an influx of new supply of approximately 15 million sq. ft. between 2025 to 2027. The projections for 2025 suggest an expected net absorption of about 3.5 million sq. ft., reflecting a noteworthy increase of approximately 61% compared to the absorption levels observed in 2024. This anticipated growth is driven by the high demand in the micro market and the quality of the upcoming supply, suggesting an increase in rentals in the upcoming years.



## **C PROPERTY REPORT AND MATERIAL DETAILS FOR VALUATION**





## 1. Address, ownership and title details of Subject property

<b>Address:</b>	Unit No.203, 2 <sup>nd</sup> Office Floor, B-4, Commerzone, S.No.144 & 145, Samrat Ashoka Path, Airport Road, Yerwada, Pune-411006
<b>Related Party Transaction:</b>	Proposed transaction is not a related party transaction.
<b>Current Ownership &amp; title details:</b>	100% owned by Milletech Datasoft Systems Private Limited ("Milletech")
<b>Proposed Holding:</b>	The unit under consideration is proposed to be held completely by MBPPL (subject to necessary approvals including but not limited to board approvals, due diligence and commercial negotiations) which is an asset SPV of Mindspace Business Park REIT. Mindspace Business Park REIT holds 100% interest in MBPPL

*Source: Architect Certificate, Title Documents, MBPPL*

### 1.1 Encumbrances

Unless disclosed and recorded in the Property Report – Part C, the Subject Property is considered to possess a good and marketable title and is free from any unusually onerous encumbrances with no option or pre-emption rights in relation to the assets, based on the Management Representation and the title documents provided. We have not checked and verified the title of the Subject Property.

### 1.2 Revenue Pendencies

On the basis of Management Representation and discussion with the Client, there are no revenue pendency including local authority taxes associated with and compounding charges, if any with the asset proposed to be sold. No independent verification of this has been made from revenue authorities and reliance has been made on the Client information for the same.

### 1.3 Material Litigation

Based on discussions with the Client and Management Representation shared, there are no material litigation including tax dispute relating to the Subject Property. It may be noted that the valuation is subject to the fact that the property is considered to possess a good and clear marketable title and is free from any unusually onerous encumbrances.

### 1.4 Major Repairs

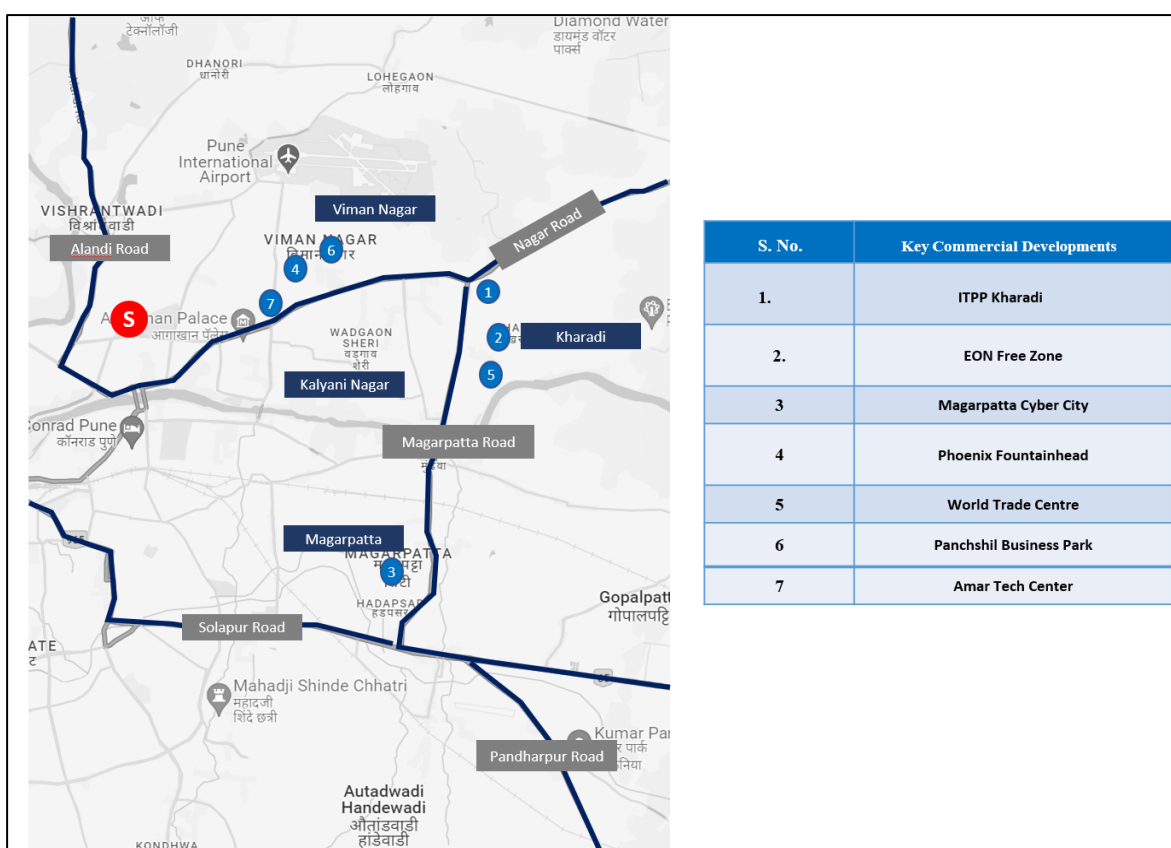
Based on discussions with the Client and Management Representation shared, there were no major repairs undertaken or expected to be happen at present.

## 2 Location

### 2.1 General

Office space located in Unit no. 203, 2nd Office Floor, Building 4 in Commerzone Yerwada, Pune, admeasuring ~7,857 sq. ft of leasable area is herein referred to as the “Subject Property”. The Subject Property is located in the established eastern secondary business district (SBD-East) of Pune. Subject Property is approximately 5 kms from Pune International Airport and approximately 7 kms from Pune Central Railway Station. Tech Park One, Business Bay, Nyati Unitree, Muttha Towers are some of the prominent commercial developments located in the vicinity of the Subject Property.

The location map of the Subject Property is set out below:



**S** Subject Property

Map Not to Scale

Commerzone Yerwada is spread over ~25.7 acres of land parcel. Located along Samrat Ashok Path, the Subject Property enjoys good frontage and has a relatively flat topography with no significant variations in the height of the land.



## 2.2 Accessibility

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

- Approximately 5-6 kms from Pune Railway Station
- Approximately 4-5 kms from Pune International Airport
- Approximately 7-8 kms from Shivajinagar (CBD)

The Subject Property is well accessible to different parts of the city through the Nagar Road. It also has access to basic urban infrastructure in terms of power, water supply and municipal sewerage system. The property photographs of the Subject Property are attached in Annexure 4.

## 2.3 Ground Conditions

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

(Details of statement of assets attached in Annexure 5)

## 2.4 Environmental Considerations

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

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

## 2.5 Town Planning and Statutory Considerations

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



### **3 Subject Property - Asset Description**

Office space, admeasuring ~ 7,857 sq. ft of leasable area located in Unit no, 203, 2nd Office Floor of Building 4, Commerzone Yerwada.

It forms a part of larger development called Commerzone Yerwada.

Commerzone Yerwada is a Grade A, IT Park located in Yerwada, Pune, comprising a total of eight IT office buildings and one Amenity building. Out of the eight buildings, building 1, 3, 4, 5, 6, 7, 8 & Amenity Building collectively admeasuring ~1.73 msf forms a part of Mindspace Business Park REIT portfolio.

### 3.1 Key Asset Information

Particulars	Details
Grade A Tech Park:	Forms a part of larger development called Commerzone, Yerwada.
Occupancy Certificate Date:	March 2009
Age of the Building:	~16 years
Asset type:	IT and Non SEZ
Approved Usage:	IT
Leasable Area:	~ 7,857 sq. ft.
Occupancy:	0 %
Occupied Area:	0 Sq. Ft.
Status of construction:	Operational
Approvals received and pending as on Valuation Date	List of approvals detailed in Annexure 6
Purchase Price of the Property by the REIT (for existing Properties of the REIT) -	Not applicable as the said property is not an existing property of the REIT
Valuation of past three years	Not applicable as the said property is not an existing property of the REIT

Source: Architect's Certificate (dated:06.02.2025)

### 3.2 Property Inspection

The Subject Property comprises of Office space in Unit no, 203, 2nd Office Floor, Building 4 in Commerzone Yerwada admeasuring a total leasable area of approximately 7,857 sq. ft. The Subject Property is 100% vacant as on the date of inspection. The amenities of the Commerzone Yerwada are also available to Subject Property for use.

### 3.3 Investigation and nature and source of information

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

Information related to state and structure of the relevant real estate market for the Subject Property was sourced from the industry and market sources.

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

Title documents provided by MBPPL covering the type of ownership interest enjoyed and information on ongoing litigation with respect to the Subject Property.

- a. Architect's certificates mentioning site areas and property areas.
- b. Relevant approval documents from competent authorities regarding occupancy, operations and fire safety with respect to specific buildings in the subject property
- c. Masterplan/ Development plan applicable in the jurisdiction of the Subject property.
- d. Management representation regarding the following:
  - i. Statement of Assets
  - ii. Revenue pendency if any
  - iii. Options or rights of pre-emption and any other encumbrances concerning or affecting the property
  - iv. litigations including tax disputes in relation to the asset (if any)

### **3.4 Tenant Profile**

Subject property is Vacant, hence no tenants present as of March 2025.

### **3.5 Lease Expiry Profile**

Not applicable



## **D VALUATION APPROACH & METHODOLOGY**



## 1.1 Asset-specific Review:

As the first step, the rent rolls (and the corresponding lease deeds/key lease related terms on a sample basis) were reviewed to identify tenancy characteristics for the asset.

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

## 1.2 Micro-market Review:

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

## 1.3 Cash Flow Projections:

1. The cash flows for the operational and under-construction/proposed area have been projected separately to arrive at their respective value estimates.
2. Net operating income (NOI) has primarily been used to estimate the cash flows from the Subject Property. The following steps were undertaken to arrive at the value for operational and under-construction/proposed areas respectively. The projected future cash flow from the Subject Property is based on existing lease terms for the operational area till the expiry of the leases or re-negotiation (using the variance analysis), whichever is earlier, following which, the lease terms have been aligned with achievable market rent for the Subject Property. For vacant area and under-construction/proposed area, the achievable market rent led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/proposed area. These cash flows have been projected for 10-year duration from the date of valuation and for 11th year (for assessment of terminal value based on NOI). These future cash flows are then discounted to present-day value (valuation date) at an appropriate discount rate.

For each lease, principally, the following steps have been undertaken to assess the rent over a 10-year time horizon:

**Step 1:** Projecting the rental income for the 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.

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

**Step 3:** For projection of rental income, the contracted terms have been adopted going forward until the next lease review/ renewal. Going forward for new leases, rent escalation of 15% at the end of every 3 years has been assumed.

**Step 4:** Computing the monthly rental income projected as part of Step 3 and translating the same to a quarterly income (for the next 10 years and NOI of the 11th year – considered for calculation of terminal value)

3. Adjustments for other revenues and recurring operational expenses, fit-out income (if any) – projected till first term expiry and discounted to present day – the same has been not included in the NOI for the purpose of arriving at the terminal value by capitalisation) and vacancy provisions have been adopted in-line with prevalent market dynamics. In addition, appropriate rent-free periods have been adopted during any fresh lease and lease roll-overs to consider potential rent-free terms as well as outflows towards brokerage. For all office assets, operational revenues and expenses of the respective assets are reviewed to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly estimate the income which accrues as cash inflows to the Subject Property.
4. The net income on quarterly basis have been projected over the next 10 years and the one year forward NOI (for 11th year) as of end of year 10 has been capitalized to assess the terminal value of the development. The quarterly net cash flows over the next 10 years along with the terminal value estimated at the end of year 10 have been discounted at a suitable discount rate to arrive at the net present value of the cash flows accruing to the commercial office assets through this approach.

## 2 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject Property as on 31<sup>st</sup> March 2025

Cashflow Period	Unit	Details
Valuation Date		31-Mar-25
Cashflow period	Years	10
Cashflow exit period	End date	31-Mar-35

### 2.1 Valuation

#### Property details

Property Details	Unit	Details
Total Property Leasable Area	sq.ft.	7,857
Area Leased	sq.ft.	-
Leased	%	0.00%
Vacant Area	Sft	7,857
Vacancy	%	100.0%
Stabilized Vacancy	%	2.0%
Further leasing	Sft	7,700
Existing Lease rollovers	%	100.0%
Rent Free Period-Existing Lease Roll Overs	Months	2.0
Rent Free Period- New Lease	Months	3.0
Estimated leasing period	No. of quarter	1

- The Total Property Leasable Area is ~7,857 sq. ft. and 100% is vacant as of 31st March 2025  
*Source: Architects Certificate date 06.02.2025*
- Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of two months has been considered for existing lease rollovers and three months for new leases.

#### Revenue Assumptions

Revenue Assumptions	Unit	Details
Market Rent - Office	Per sq.ft./month	INR 72.00
Other operating income	% of lease rental	1.00%
Market Rent growth rate	% p.a.	5.00%
Normal Market lease tenure	years	9 years
Normal market escalation at end of every	years	1 years of lease tenure
Market escalation at end of escalation period	%	4.50%
CAM/O&M Income prevailing in the market	Per sq.ft./month	INR 16.0

- Projected NOI Growth:**

Considering the above-discussed assumptions on rental growth, market trends, supply-demand conditions, and macroeconomic factors, the projected Net Operating Income (NOI) growth for the assets has been arrived at as detailed below:

Parameter	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income (INR Mn)	3.0	6.9	7.2	7.5	7.8
Growth		57%	4%	4%	4%

Increase in NOI over the years is primarily due to leasing of the Subject property

- **Achievable Market Office:**

SBD East had its highest net absorption in 2024 with ~ 1.6 Million Sq. ft. Yerwada which forms a part of SBD East micro market witness quoted rental range of INR 70 to 135 per sq. ft. / month

- Achievable market rent of the Subject Property has been considered in line with market rental trends and the estimated rental generating ability of the property under consideration; at INR 72 per sq. ft. per month. (at Efficiency of 70%)
- During the period from 2016 to 2019, the micro market recorded a rental growth of CAGR ~6.6%, reflecting strong demand fundamentals and rental momentum under normal market conditions. However, from 2021 to Q1 2025 rental growth was muted, largely due to robust supply, Further, the subject property's achievable rent is assumed to be INR 72 per sq. ft. per month which is significantly lower than other comparable properties in subject location. This property is expected to align itself with subject micro market therefore, we have taken a growth rate of 5% year on year.
- **Other Operating Income:** is 1% of lease rental based on similar assets performing in the micro-market.
- **Normal Market Lease Tenure:** Based on current market trend we have considered 9 years to be lease tenure with escalation of 4.5% every year
- Based on market trend we have considered Target Efficiency to be 70%
- **CAM Income** of INR 16 with an annual escalation of 5% is assumed based on the similar asset performing in the micro market.

#### Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (New Lease)		2 Month Rent
Brokerage cost (Renewal/Release)		1 Month Rent
Current CAM/ O&M cost	Per sq.ft./month	INR 13.3
Property Tax	Per sq.ft./month	INR 2.72
Insurance	Per sq.ft./month	INR 0.5400
CAM cost escalation	% p.a.	5.0%
Cost escalation	% p.a.	3.0%
Transaction cost on sale	% of Terminal Value	1.0%
Other Operating Expenses	% of Lease Rentals	2.0%
Property Management Fees	% of Lease Rentals	3.50%

- **Brokerage-** In accordance with the market benchmarks for Grade A property, we have considered brokerage expenses amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax** has been considered at INR 2.72 per sq. ft. per month and Insurance at INR 0.54 per sq. ft. per month which are also in line with market benchmarks.
- **Other Operating Expenses** and have been assumed at 2% of the rentals. The other expenses account for minor repairs and maintenance to the buildings, legal and professional fees, rates and taxes and other such expenses which are also in line with market benchmarks.
- Based on information received from the client, **Property Management fees** have been assumed at 3.5% of lease rentals, parking income, and other operating income.

- **Transaction costs** have been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc which are also in line with market benchmarks.
- **Projected NOI Growth:**  
Considering the above-discussed assumptions on rental growth, market trends, supply-demand conditions, and macroeconomic factors, the projected Net Operating Income (NOI) growth for the assets has been arrived at as detailed below:

Particular	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income (INR Mn)	3.0	6.9	7.2	7.5	7.8
Growth		57%	4%	4%	4%

Increase in NOI over the years is primarily due to leasing of the Subject property

- The cost escalation/inflation assumption of 5.0% per annum has been determined based on consumer inflation trends observed in the Indian economy. This rate reflects the average taken for historical inflation data for past 10 years from 2015 to 2024. Below is a table presenting the consumer inflation rate across various years:

Year	Inflation (%)
2015	4.91%
2016	4.95%
2017	3.33%
2018	3.94%
2019	3.73%
2020	6.62%
2021	5.13%
2022	6.70%
2023	5.65%
2024	5.22%

Source: World Bank



### Discount Rate & Capitalization rate assumptions

- Capitalization Rate: (Office Development)**

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

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

- Relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused. Further, considering that these investments have been made through private equity and the subject valuation is being carried out for public listing with better liquidity / marketability of ownership interest, the cap rate for the Subject Property was suitably adjusted.

The selected comparable investments consist of investment-grade A properties with a similar tenant profile, commercial usage backed by institutional investors. These properties primarily include large office parks, aligning closely with the characteristics of the REIT properties. Considering these criteria, following comparable transactions have been analyzed to derive the capitalization rate:

Name of Seller	Name of Buyer	Location	City	Name of Building	Type of Building	Year of Transaction	Area (sq. ft.)	Deal Size (INR mn)	Capitalization Rate
Shapoorji Pallonji-Allianz	GIC	Gachibowli	Hyderabad	Waverock 2.1	Commercial	2024	22,84,918	21,500	~8%
MFAR Developers	Edelweiss Alternatives	Outer Ring Road	Bangalore	Embassy Manyata Tech Park	Commercial	2024	11,00,000	15,000	~8%
Kalyani Developers	Tablespace Technologies	Whitefield	Bangalore	Kalyani Camellia	Commercial	2024	5,00,000	5,000	~8%
Bhartiya Group	GIC	Hebbal	Bangalore	Bhartiya City	Commercial	2023	30,00,000	28,000	~8%
Brookfield Asset Management	GIC & Brookfield REIT**	Powai	Mumbai	9 Grade A Properties in Downtown Powai	Commercial	2023	27,00,000	65,000	~8%
Brookfield Properties	Brookfield REIT & GIC	Gurugram	NCR	Candor Techspace G1	Commercial	2023	37,98,366	47,250	~8%
Salarpuria Sattva	Continental Automotive	Electronic city	Bangalore	South Gate	Commercial	2022	8,50,885	7,516	8.32%
TRIL Properties	CPPIB	Suburban South	Chennai	TRIL Info Park	Commercial	2022	46,67,000	63,000	~7.6% - 7.7%
Embassy Property Developments Pvt. Ltd.	Embassy Office Parks REIT	ORR, Bangalore	Bangalore	Embassy Tech Village	Commercial	2020	91,00,000	97,824	7.50%

\*\*CPPIB has acquired stake of Prestige estates in RMZ Startech which was a JV between Prestige Estates (51%) and RMZ (49%)

Includes c.75,000 SF area under development that is expected to be operational by September 30, 2023.

Source: Secondary Market Research

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

Based on these considerations, an exit capitalisation rate ranging between 8.0% and 8.5% has been adopted, with the lower end of the range applied to assets demonstrating superior performance and fundamentals within the portfolio. Thus we have considered the cap rate as 8% for the valuation of Subject Property

- **Discount Rate**

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

- **Cost of Debt**

The cost of debt is the return that a company provides to its debtholders and creditors. These capital providers need to be compensated for any risk exposure that comes with lending to a company. The cost of debt for real estate assets is often influenced by the stage of development of the asset. The mature and income-generating assets are considered less risky, leading to lower interest rates. In this context, the cost of debt for Mindspace Business Park REIT properties is benchmarked to the interest rates observed in REITs, as all bear similar characteristics in terms of type and development status of properties. Since a major portion of REITs' portfolios consists of completed, income-generating assets, the cost of debt aligns more closely with the Lease Rent Discounting (LRD) rate.

This approach ensures that the cost of debt is aligned with the risk profile of the property and current market conditions,

Please find below Cost of Debt for Comparable REIT.

Entity Name	Cost of Debt
Brookfield (March 2024)	8.3%
Embassy (March 2024)	7.4%
Mindspace (March 2024)	7.8%

*Source: Analyst Presentation for respective REIT*

The cost of debt for March 2025 valuation is considered as ~ 8.4 %, which been determined based on the cost of debt for the REITs.

- **Cost of Equity**

We have considered the cost of equity at 14.50% as per the market return expectations of various investors for commercial office. Apart from that we have also benchmarked CAPM model and inputs of same is detailed out as under

- We have considered risk free rate of 6.97% based on average 10-year treasury bond yield.
  - For calculation of beta, we have benchmarked industry (Nifty Realty Index). We have considered average 5-year Beta of Nifty Realty index with respect to Nifty 50.
  - We have considered market risk premium of 4.53% based on the returns of broad-based BSE 500 stock index for the past 10 to 15 years.
- **Debt-Equity Ratio (weightage of WACC)**

As discussed earlier, the cost of debt has been derived based on prevailing LRD rates, while the cost of equity has been calibrated to account for both asset-specific and market-specific factors, reflecting investor expectations from an operational Grade A office spaces. Additionally, the debt-to-equity mix has been determined considering the typical LRD tenures and the extent to which debt financing contributes to the overall asset value.

It may be noted basis management representation that the current debt equity structure of Mindspace Business Park REIT is 25:75. However, SEBI REIT Regulations states that the maximum permissible limit for debt is 49%. Hence, we have considered the debt and equity mix of 45% and 55%, which is considered an optimum capital structure within permissible limit specified as per the SEBI REIT Regulations and accepted by the market participants.

#### Derivation of WACC

Based on above, the following WACC rate has been assumed for completed commercial assets which would form part of the Mindspace Business Park REIT:

	Cost	Weightage	~11.75%
<b>Cost of Debt</b>	<b>8.4%</b>	<b>45.0%</b>	
<b>Cost of Equity</b>	<b>14.5%</b>	<b>55.0%</b>	



### 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 she has no knowledge, the opinion of value of the complete ownership interest in the Subject Property, as explained above, on 31 December 2024 is as follows

Market Value
<b>INR 82 Million</b>
<b>INR 10,441</b> per sq.ft. of leasable area
<i>This summary must not be copied, distributed or considered in isolation from the full report.</i>

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

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

Prepared by



(L. Anuradha)

IBBI/RV/02/2022/14979



## **E ANNEXURES**



## Annexure 1: Cash Flows

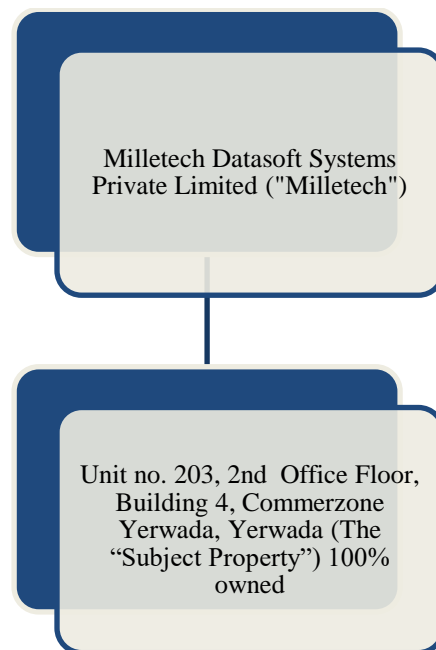
		1	2	3	4	5	6	7	8	9	10	11	
Particulars	Unit	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36
<b>OPERATING INCOME</b>													
Lease Rentals	INR Million	3.3	6.9	7.2	7.5	7.8	8.2	8.6	9.0	9.4	8.4	10.7	
Parking Income	INR Million	-	-	-	-	-	-	-	-	-	-	-	
O&M income	INR Million	1.2	1.6	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	
Other operating income	INR Million	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Cafeteria Income	INR Million	-	-	-	-	-	-	-	-	-	-	-	
Total Income	INR Million	4.5	8.5	8.9	9.3	9.7	10.2	10.6	11.1	11.6	10.8	13.2	
Total Income from occupancy	INR Million	4.5	8.5	8.9	9.3	9.7	10.2	10.6	11.1	11.6	10.8	13.2	
<b>OPERATING COSTS</b>													
O&M cost	INR Million	(1.3)	(1.3)	(1.4)	(1.5)	(1.5)	(1.6)	(1.7)	(1.8)	(1.9)	(1.9)	(2.0)	
Insurance Cost	INR Million	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
Property Taxes	INR Million	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)
Total Operating Costs	INR Million	(1.6)	(1.7)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)	(2.2)	(2.3)	(2.4)	(2.5)	
Net operating Income	INR Million	3.0	6.9	7.2	7.5	7.8	8.2	8.6	9.0	9.4	8.4	10.7	
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	133.7		
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(1.3)		
Fit Out Income	INR Million	-	-	-	-	-	-	-	-	-	-		
Total Net income	INR Million	3.0	6.9	7.2	7.5	7.8	8.2	8.6	9.0	9.4	140.8		
Property Mangement Fees	INR Million	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
Other Operating Expenses (R&M, Legal, Professional, Bad Debts and Rates and Taxes)	INR Million	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		
Brokerage Expenses	INR Million	(1.1)	-	-	-	-	-	-	-	-	(0.9)		
Net Cashflows	INR Million	-	1.7	6.5	6.8	7.1	7.4	7.7	8.1	8.5	8.8	139.4	
Discount Rate	11.75%												
Warmshell Property Value													
NPV INR Million	82												
INR/ sq.ft. of leasable area	10,441												

The estimated annualized stabilized NOI on full lease is INR 6.7 million and the estimated rental loss till full lease up is INR 3.4 million." based on the model

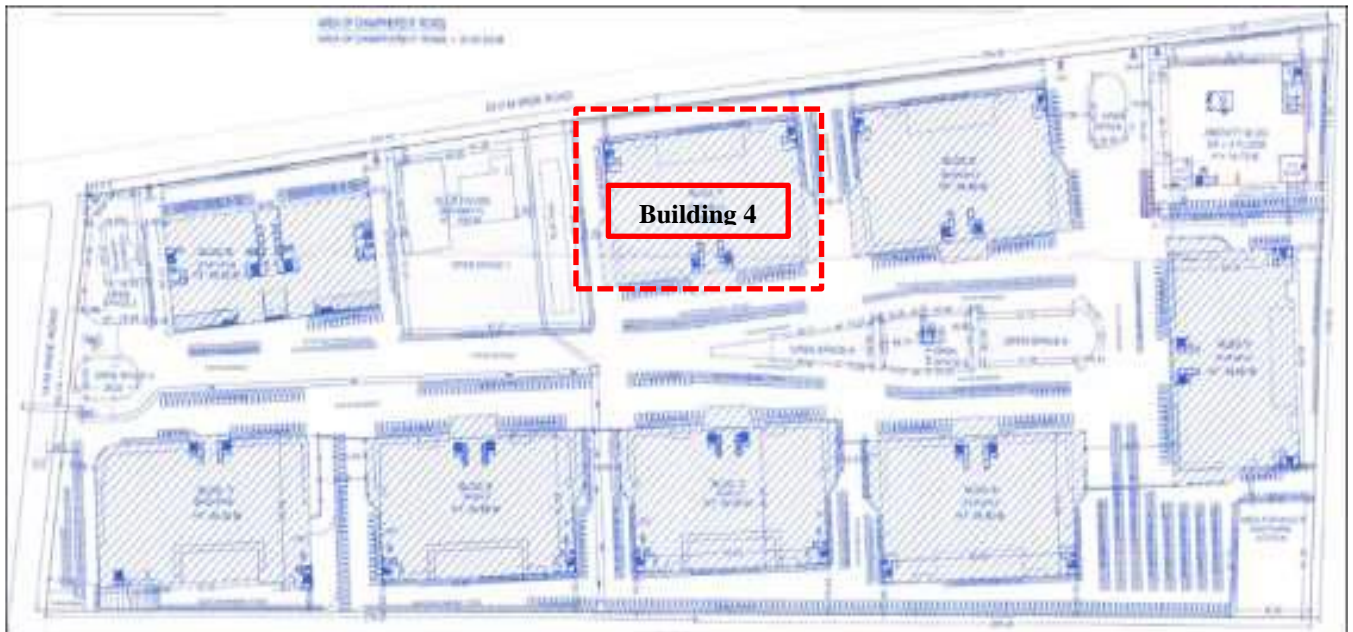
Note: We have arrived at the valuation using quarterly cash flows and reproduced the above-mentioned annual cash flows for representation purposes.



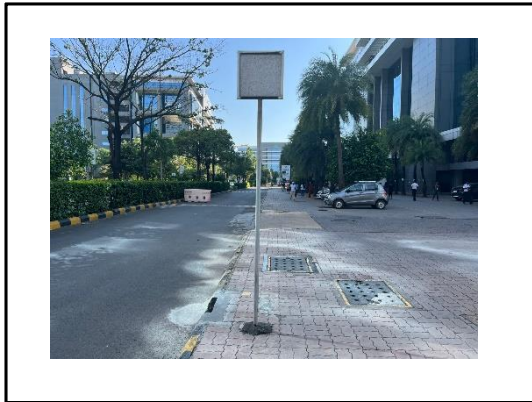
**Annexure 2: Current Ownership Structure**



**Annexure 3: Property Master Plan**



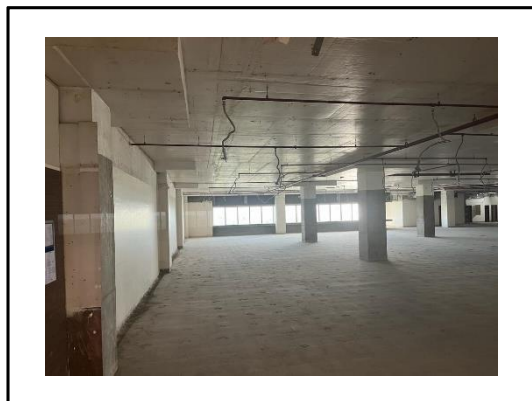
**Annexure 4: Property Photographs**



Access Road of Subject Property



View of Subject Property



Internal View of Subject Property



Internal Access Road of Subject Property



View of Subject Property



Entrance of the Subject Property

**Annexure 5: Statement of assets used for operations of the Unit no, 203, 2nd Office Floor, Building 4, Commerzone Yerwada**

SERVICE	AS PER ATL
Air Cooled Chiller	350 TR
Water Cooled Chiller	2 X 450 TR
No. of Elevators	8 – Thyssenkrupp
DG	3 X 1010 KVA
Transformer	2 X 1600 KVA
Booster Pumps	9.6 KW – Kirloskar Brothers
Jockey Pumps	11 KW – Kirloskar Brothers
Fire Diesel Pump	68 KW – Kirloskar Brothers
Hydrant Pump	82 KW – Kirloskar Brothers
Sprinkle Pump	82 KW – Kirloskar Brothers
STP Rating	150 KLD

Note: The Statement of assets represented above are for the entire building 4 and not just for the Subject Property.

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

Approvals Received (includes onetime approvals and periodic approvals)

1. Approved Masterplan
2. Commencement Certificate
3. Occupancy Certificate
4. Consent to Operate
5. Fire NOC
6. Environmental Clearance
7. Lift NOC
8. Height NOC
9. Form B

Approvals Pending: None



## Annexure 7: Ready Reckoner Rate

### Annual Statement of Rates Ver. 2.0 ( बाजारमूल्य दर पत्रक आवृत्ती 2.0 )

[Home](#)
[Valuation Guidelines | User Manual](#)

Year  Language

Selected District

Select Taluka

Select Village

Search By ☐ Survey No. ☒ SubZones

Select	उपविभाग	खुली जमीन	निवासी सदनिका	ऑफिस	दुकाने	औद्योगिक	एकक (Rs./)
<a href="#">SurveyNo</a>	25/403.3 - सम्राट अशोक रोड वरील मिळकती	24860	58500	69860	109490	0	चौ. मीटर
<a href="#">SurveyNo</a>	25/403.4 - मुकुंद भवन ट्रस्ट यांचा निवासी प्रकल्प	29510	64030	112770	154030	0	चौ. मीटर
<a href="#">SurveyNo</a>	25/403.5 - पी.ए. इनामदार यांचा निवासी प्रकल्प	29510	67760	112770	154030	0	चौ. मीटर
<a href="#">SurveyNo</a>	25/403.6 - स्वप्राणी भोसले व इतर यांचा निवासी प्रकल्प	29510	62160	112770	154030	0	चौ. मीटर
<a href="#">SurveyNo</a>	25/403.7 - हंसजय एस. त्यागडे यांचा निवासी प्रकल्प	29510	68380	112770	154030	0	चौ. मीटर
1 2 3 4							

**Annexure 8: Architects Certificate**

Date:06/02/2025

**CERTIFICATE**  
**TO WHOMSOEVER IT MAY CONCERN**

**Subject: Architect Certificate.**

This is to state that the unit 203 in building 4 of "Commerzone Yerwada" located at Yerwada, Pune, Maharashtra 411006 is completed.

The Area statement for these units are as follows:

**Details for unit no. 203 on 2nd office floor in completed building B-4 of Commerzone Yerwada as follows.**

Unit Number	Carpet Area as per Leave and License Agreements (In Sqft.)	Efficiency (%)	Leasable Area (in Sqft.)
203	5500	70%	7857
<b>Total</b>	<b>5500</b>	<b>70%</b>	<b>7857</b>

(Rounded off to nearest in impinger)

Carpet area as per sale deed dated 19th September 2011 was 5500.18 sqft. (chargeable area admeasuring 7857.41 sqft).

\*Leasable Area have been calculated at efficiency specified.

Thanks & Regards,

  
**For & behalf of**  
**VK:a architecture**  
t: +91 20 66268888D  
e: mail@vkarch.com



#Filing Ref | #Date | Page 1 of 1

P:\2751-2800\2768 - K Raheja, S No 144, 145, CTS 2648, 2649, Yerwada, Pune\Text\b0 Data\b04 Certificates\250206 - Area Certificate.docx

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Pune, Maharashtra 411016

www.vkarch.com  
Email: mail@vkarch.com  
Phone: +91 20 6626 8888

An ISO:9001  
Company

Regd: VK Design & Projects Pvt. Ltd.  
CIN - U71100PN2023PTC220907



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

All assumptions made in order to determine the valuation of the Subject Property is based on information or opinions as current. In the course of the analysis, the Valuer has relied on information or opinions, both written and verbal, as obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which has been accepted as accurate in bona-fide belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

4. No investigation of the title of the assets has been made and owners' claims to the assets is assumed to be valid unless



anything contrary is mentioned in the main report. No consideration is given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.

5. The Valuer's total aggregate liability to the Client including that of any third-party claims, in contract, tort including negligence or breach of statutory duty, misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the services is limited to an aggregate sum agreed in the LOE. The Valuer shall not be liable for any pure economic loss, loss of profit, loss of business, depletion of goodwill, in each case whether direct or indirect or consequential or any claims for consequential loss compensation whatsoever which, arise out of or in connection with services provided under this engagement.
6. 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.
7. 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 resolved by Arbitration at Mumbai.