

**Strictly Confidential
For Addressee Only**

**Independent Property
Consultant Report on the
Valuation Methodology in the
Valuation Report of Embassy
Business Hub, Bengaluru**

Report for

**Embassy Office Parks REIT/
EOPMSPL**

Report Date

24 March 2023





TABLE OF CONTENTS

A REPORT 2

1 Instructions - Appointment.....2

2 Professional Competency of C&WI Valuation & Advisory Services India2

3 Disclosures3

4 Purpose3

5 Scope of Work.....3

6 Approach & Methodology4

7 Authority (in accordance with this Agreement)4

8 Limitation of Liability (in accordance with this Agreement)4

9 Disclaimer5

10 Disclosure and Publications5

B REVIEW FINDINGS 6

Annexure 1: Instructions (Caveats & Limitations).....9

Annexure 2: Extract of Methodology & Key Assumptions for the Valuation of Property11



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

To: Embassy Office Parks REIT/ EOPMSPL
Property: Embassy Business Hub located along NH-44
(Bellary Road) in Yelahanka, Bengaluru
Report Date: 24 March 2023

A REPORT

1 Instructions - Appointment

Cushman & Wakefield India Pvt. Ltd. (C&WI) as an independent international property consultant has been instructed by Embassy Office Parks REIT/ EOPMSPL (the 'Client', the 'Instructing Party') in its capacity as manager of Embassy Office Parks REIT to perform an independent review (the "Engagement"), of the Stated Procedure (as defined below), used for the valuation of Embassy Business Hub, comprising commercial office real estate assets located along NH44 (Bellary Road) in Yelahanka, Bengaluru (the "Property"), which is proposed to be acquired by Embassy REIT and provide an independent report ("Report"). The LOE sets out the scope and other understanding between the parties ("Agreement").

The property considered as part of this study is detailed in Part B of this report. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Annexure 1 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

2 Professional Competency of C&WI Valuation & Advisory Services India

C&WI Valuation & Advisory Services India is an integral part of C&WI Global Valuation & Advisory Services team. The Global Valuation & Advisory team comprises of over 1,970+ professionals across approximately 150+ offices globally and India VAS team comprises of more than 75 professionals.

C&W Valuation & Advisory Services India have completed over 15,519 valuation and advisory assignments across varied asset classes/ properties worth USD 588 billion.

We provide quality valuation, risk advisory and consulting services across a range of property types including residential, hospitality, retail, commercial, institutional, Special Economic Zone (SEZ), industrial, etc. We derive global best practices while maintaining the complexities of Indian real estate markets and are ideally positioned to help solve any valuation related real estate challenge, ranging from single asset valuations to valuation of multi-market and multi-property portfolios.

In India, we have our presence since 1997. Our dedicated and experienced professionals provide quality services from 8 offices across India (Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune and Ahmedabad). We have a strong team of experienced and qualified professionals dedicated to offer Valuation & Advisory services in various locations across the country. C&WI India recognizes that no uniform norms and standards for real estate valuation



currently exist in India. With this context and background, C&WI utilizes internationally accepted valuation techniques customized to Indian context based on best practices in the Industry.

Our professionals have diverse backgrounds such as RICS, CAs, CFAs, MBAs, Architects, Planners, Engineer's etc. We are preferred Consultants for global and domestic banks, financial institutions, Asset Reconstruction Companies (ARC's), Private Equity Funds, Non-Banking Financial Company (NBFC) etc.

3 Disclosures

C&WI has not been involved with the acquisition or disposal, within the last twelve months of any of the property being considered for the Engagement. C&WI has no present or planned future interest in the Client, Trustee, Embassy Office Parks REIT, the Sponsors and Sponsor Group to Embassy Office Parks REIT or the Special Purpose Vehicles (SPVs) and the fee for this Report is not contingent upon the review contained herein. Our review should not be construed as investment advice; specifically, we do not express /any opinion on the suitability or otherwise of entering into any financial or other transaction with the Client or the SPVs.

C&WI shall keep all the information provided by Client confidential.

4 Purpose

The purpose of the Engagement is to review the assumptions and methodologies as set out in Annexure 2 ("Stated Procedure") which have been used for conducting a valuation of the property in connection with the proposed purchase of the Embassy Business Hub, Bengaluru by Embassy Office Parks REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 "SEBI (REIT) Regulations", as amended, together with clarifications, circulars, guidelines and notifications thereunder in any of the Indian stock exchanges . It is hereby clarified that we are not undertaking a valuation under the SEBI REIT Regulations, or any other enactment and the scope of work is expressly limited to what is stated herein.

With respect to the aforementioned proposed acquisition, this independent report may be included in any offering documents, communications to unitholders, press releases, presentations, publicity material or other documents and including any regulatory filings in connection with the proposed acquisition.

5 Scope of Work

C&WI has given its views in relation to the Stated Procedure and this Engagement should not be considered as an audit of a valuation or an independent valuation of the property. C&WI has not developed its own opinion of value but has reviewed the Stated Procedure in light of the framework contained in the RICS Valuation Global Standards ("Red Book") issued in November 2021, effective from 31 January 2022, which is compliant with the IVSC International Valuation Standards issued in 2021, effective from 31 January 2022.



C&WI review is limited, by reference to the date of this report and to the facts and circumstances relevant to the property at the time, to review and assess, under the Red Book standards:

- whether the key assumptions as set out in the Stated Procedure are reasonable; and
- whether the methodology followed as set out in the Stated Procedure is appropriate.

6 Approach & Methodology

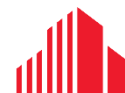
C&WI has been provided with the information such as rent rolls, sample agreement copies, approval plans and other information such as valuation Methodology and key assumptions including achievable rental for the property, rental growth rate, construction timelines, Capitalisation rates, Discount rates etc. An extract of the Methodology and Key assumptions is provided in Annexure 2.

7 Authority (in accordance with this Agreement)

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

8 Limitation of Liability (in accordance with this Agreement)

- C&WI has provided the Services exercising due care and skill, but C&WI does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the opinion of value of the property. Further, C&WI shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to C&WI by the Client.
- C&WI's maximum aggregate liability for claims arising out of or in connection with the Property Valuation report, under this contract shall be limited to an aggregate sum not exceeding 5 times the total fees paid to C&WI by the Client.
- In the event that any of the Sponsor, Manager, Trustee, Embassy Office Parks REIT in connection with the report be subject to any claim ("Claim Parties") in connection with, arising out of or attributable to the Valuation Report, the Claim Parties will be entitled to require the C&WI to be a necessary party/ respondent to such claim and C&WI shall not object to their inclusion as a necessary party/ respondent. In all such cases, the Client agrees to reimburse/ refund to C&WI, the actual cost (which shall include legal fees and external counsel's fee) incurred by C&WI while becoming a necessary party/respondent. If C&WI does not cooperate to be named as a party/respondent to such claims in providing



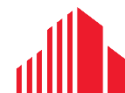
adequate/successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against C&WI in this regard and C&WI's liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.

9 Disclaimer

C&WI will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

10 Disclosure and Publications

You must not disclose the contents of this report to a third party in any way, except as stated in paragraph 4 herein or as may be required under applicable law, including the Securities Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 along with SEBI (Real Estate Investment Trusts) (Amendment) Regulations 2016 and subsequent amendments and circulars.



B REVIEW FINDINGS

Our exercise has been to review the Stated Procedure, which has been used, for conducting valuation of Properties in connection with the disclosure of valuation of assets, forming part of the portfolio of Embassy Office Parks 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 issued by the SEBI or the Indian stock exchange, in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021, effective from 31 January 2022.

The approach adopted by C&WI would be to review the Stated Procedure, which would have a significant impact on the value of Properties, such as:

- Achievable rental for the property
- Rental Growth rate
- Construction timelines
- Capitalisation rate
- Discount rate

C&WI has:

- Independently reviewed the key assumptions as set out in the Stated Procedure and is of the opinion that they are reasonable;
- Independently reviewed the approach and methodology followed and analysis as set out in the Stated Procedure, to determine that it is in line with the guidelines followed by RICS and hence is appropriate;

C&WI finds the assumptions, departures, disclosures, limiting conditions as set out in the Stated Procedure, relevant and broadly on lines similar to RICS guidelines. No other extraordinary assumptions are required for this review.

Global economy was deeply impacted during the outbreak of COVID-19, which was declared as a Global Pandemic on 11 March 2020. Several measures to contain the impact from the Global pandemic which included national lockdowns, which was followed by several vaccination drives, follow-up booster drives etc.

As the impact from the COVID-19 related pandemic started to moderate, restrictions were slowly lifted in a phased manner by respective state governments until the Ministry of Home Affairs revoked all the restrictions by the Centre from 31 March 2022 and commented that the disaster management act will not be invoked for COVID-safety measures.

The commercial real estate sector has shown significant resilience during the Covid struck period. Majority of the markets have started to open-up and corporates have started to encourage the employees to return to office. This is also driven by record high levels of attrition witnessed across industries, which has led to strong hiring trends in terms of fresher and lateral hires. New Gen-Z (born between 1997 –2012) employees are in high demand by the employers, however, work from home period has significantly dented their wellbeing as they struggle to bond with teams. This has led to employers revisiting the need for training, interaction etc, thereby increasing the relevance of office infrastructure for such corporates.



While some organizations have been contemplating strategies with respect to the hybrid work models - flexible arrangement, allowing employees to combine onsite and offsite work as required, we expect the strong growth in the IT-BPM sector, increased interests into Indian offshore centers by several IT/ITeS corporates and GCCs is expected to drive significant demand for the commercial real estate sector.

We observe that the assumptions noted in Annexure 2, reflect these factors.

Below is the summary of the property as of February 28, 2023, that has been reviewed:

Sr No	Location	Project	Leasable Area	
			Phase I (In msf)	Phase II (In msf)
1	Bengaluru	Embassy Business Hub	0.66	1.43

Below is the Property/ Business wise analysis:

- Embassy Business Hub – Phase I:** C&WI view of the market rent for the asset would be in the range of INR 65-70 per sft per month for office space. This is keeping in mind the latest transactions of competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market. C&WI also considers the construction timelines considered for the property as reasonable.
- Embassy Business Hub – Phase II:** C&WI view of the market rent for the asset would be in the range of INR 65-70 per sft per month for office space and INR 75-80 for Food Court. This is keeping in mind the latest transactions of competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market. C&WI also considers the construction timelines considered for the property as reasonable.

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



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

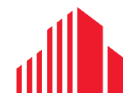
Somy Thomas, MRICS
Managing Director,
Valuation and Advisory Services

Shailaja Balachandran, MRICS
Executive Director,
Valuation and Advisory Services

Paul George
Associate Director,
Valuation and Advisory Services



Akash Kumar
Assistant Manager,
Valuation and Advisory Services



Annexure 1: Instructions (Caveats & Limitations)

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

The scope comprises of reviewing the assumptions and methodology in the Stated Procedure, for valuation of the Property. C&WI did not carry out comprehensive field research-based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI has relied on the information supplied to C&WI by the Client.

2. In conducting this assignment, C&WI has carried out analysis and assessments of the level of interest envisaged for the Property under consideration and the demand-supply for the commercial sector in general. The opinions expressed in the Report are subject to the limitations expressed below.
 - a. C&WI has endeavoured to develop forecasts on demand, supply and pricing on assumptions that are considered relevant and reasonable at that of preparing this report. All of these forecasts are in the nature of likely or possible events/occurrences, and the Report does not constitute a recommendation to Embassy Office Parks REIT or (Client or its affiliates and subsidiaries or its customers or any other party) to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and basis on which forecasts have been generated and is not recommended as an input to a financial decision.
 - b. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the report date. C&WI assumes no responsibility for changes in such external conditions.
 - c. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI has relied upon secondary sources of information for a macro-level analysis. Hence, no direct link is to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
 - d. The services provided is limited to review of assumptions and stated procedures and other specific opinions given by C&WI in this Report and does not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI does not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated and should not be used for any other purpose.
 - e. While the information included in the Report is believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
 - f. In the preparation of the Report, C&WI has relied on the following information:
 - i. Information provided to C&WI by the Client and subsidiaries and third parties;
 - ii. Recent data on the industry segments and market projections;
 - iii. Other relevant information provided to C&WI by the Client and subsidiaries at C&WI's request;



-
- iv. Other relevant information available to C&WI; and
 - v. Other publicly available information and reports.
 3. The Report reflects matters as they currently exist. Changes may materially affect the information contained in the Report.
 4. In the course of the analysis, C&WI has relied on information or opinions, both written and verbal, as currently obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third-party organizations and this is bona-fidely believed to be reliable.
 5. No investigation of the title of the assets/ Property has been made and owners' claims to the assets/ Property is assumed to be valid. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.



Annexure 2: Extract of Methodology & Key Assumptions for the Valuation of Property

Valuation Approach and Methodology

- **PURPOSE OF VALUATION**

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

- **BASIS OF VALUATION**

It is understood that the valuation is required by the Client for proposed purchase of the Property by Embassy REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, circulars, guidelines and notifications. Accordingly, the valuation exercise has been carried out to estimate the “Market Value” of the Subject Property in accordance with IVS 104 of the IVSC International Valuation Standards issued in 2021 effective from 31 January 2022.

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

- **VALUATION APPROACH**

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 the 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 mentioned below:

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

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

For the purpose of the valuation of Subject Property, Discounted Cash Flow Method has been adopted.

- **VALUATION METHODOLOGY**

In case of Subject Properties there are instances where the contracted rents are significantly different from prevailing rents in the concerned micro-market where the specific Subject Property is located, either because the rents prevailing at the time of executing the leases have been significantly different or discounts were given to large/anchor tenants.

Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, demand for spaces, quality of spaces available in the market, overall health of the economy, existing rentals, future growth plans, etc.) at a particular point in time, negotiated rents may tend to move away from the prevalent market rents over a period of time.

It has also been witnessed that the market rents for some properties or micro-markets 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.

Given the purpose and the nature of Subject Property involved, the valuation of the commercial office assets has been undertaken using the Discounted Cash Flows method using Rental Reversion. Further the following steps have been adopted as part of the valuation exercise, which have been elaborated in the detailed full valuation report ("Valuation Report").



- Asset-specific Review:
 1. As the first step to the valuation of the asset, 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 tenants with pre-committed area were reviewed on a sample basis.
 2. For anchor/large tenants, adjustments on marginal rent or additional lease-up timeframe have been adopted upon lease reversion.
 3. Title certificates, architect certificates and other related documents as mentioned in earlier sections of the report were reviewed for validation of area details, ownership interests of the Subject Property.
 4. Physical site inspections were undertaken to assess the current status of the Subject Properties.

- Micro-market Review:

The review was carried out in the following manner:

1. An assessment of the site 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.
 2. For tenants occupying relatively large space within the Subject Property, it is assumed that the leases shall revert to achievable market rent (duly adjusted from the date of valuation) following the expiry of the lease, factoring appropriate re-leasing time. The fresh lease transactions in the subject property have been assumed to be leased at the achievable market rentals for the micro market.
- 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 arrive at the value of the commercial office assets. The following steps were undertaken to arrive at the value for operational and under-construction/ future development areas respectively. The projected future cash flows from the property are based on existing lease terms for the operational area till the expiry of the leases or re-negotiation, whichever is earlier, following which, the lease terms have been aligned with market rents achievable by the Subject Properties. For vacant



area and under-construction/ proposed area, the achievable market rent-led cash flows are projected factoring appropriate lease-up time frame for vacant/under-construction/future development area. These cash flows have been projected for 10-year duration from the date of valuation 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.



Key Assumptions

1. Embassy Business Hub, Bengaluru

Particulars	Units of measure	Details	
Property details			
Type of property		Under Construction	Under Construction
Blocks		Phase - I	Phase - II
Total Leasable Area	Million sq. ft.	0.66	1.43
Embassy's Share Area	Million sq. ft.	0.40	0.96
Pre-Leased Area *	Million sq. ft.	0.37	-
Committed Area (Hard Option) *	Million sq. ft.	0.03	-
Vacancy	%	-	100%
Vacant Area	Million sq. ft.	-	1.43
Key Assumptions			
Achievable Rental per month - Office	INR per sq. ft.	65	65
Rental Growth Rate (2H FY-24)	%	2.5%	2.5%
Rental Growth Rate FY-25 onwards	%	5.0%	5.0%
Normal Market lease tenure	Years	-	9
Construction end date	Date	30-Sep-23	30-Sep-27
Capitalization Rate	%	8.00%	8.00%
Discount Rate	%	12.00%	13.00%

Note: CAM Margin taken at 25% during the period of valuation and at 20% during exit.

* Embassy's share



VALUATION REPORT

EMBASSY BUSINESS HUB-BANGALORE

Date of Valuation: 28th February 2023

Date of Report: 23rd March 2023

Submitted to:

**Instruction Party: Embassy Office Parks Management
Services Private Limited**



Disclaimer

This report is prepared exclusively for the benefit and use of Embassy Office Parks Management Services Private Limited (“EOPMSPL” or the “Recipient” or the “Company” or “the Manager”) on behalf of the Embassy Office Parks REIT (“Embassy REIT”) and / or its associates and its unitholders for the proposed purchase of a certain property/ business by it. The Company is the manager to Embassy REIT, a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended till date (“SEBI REIT Regulations”). The Manager may share the report with its appointed advisors for any statutory or reporting requirements or include it in any preliminary/placement document/ notice/ transaction document to the unit holders, or any other document in connection with the proposed purchase of the property by Embassy REIT. Neither this report nor any of its contents may be used for any other purpose other than the purpose as agreed upon with reference to Addendum dated 7th February 2023 to Letter of Engagement (“LOE”) dated 10th November 2022 without the prior written consent of the Valuer.




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

This report has been prepared upon the express understanding that it will be used only for the purposes set out with reference to Addendum dated 7th February 2023 to LOE dated 10th November 2022. The Valuer is under no obligation to provide the Recipient with access to any additional information with respect to this report unless required by any prevailing law, rule, statute or regulation.

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

Executive Summary

Embassy Business Hub (EBH), Sy.# 25/2 , 25/3 & 26, Venkataala Village, Bellary Road, Yelahanka Bengaluru North, Bengaluru.

<p>Valuation Date:</p>	<p>28th February, 2023</p>	 <p>View of Subject Property</p>
<p>Valuation Purpose:</p>	<p>Proposed purchase of a property/ business by Embassy Office Parks REIT</p>	
<p>Subject Property:</p>	<p>The Subject property, herein, referred to as ‘Embassy Business Hub’ is an under-construction Grade A Tech Park located along the Bellary Road (NH-44) (one of the most sought after emerging Commercial IT/ITeS & Residential vector in Bengaluru). The land underlying the subject property admeasures approx. 13 acres and the Grade A Tech Park consists of approx. 2.09 Million sq.ft.</p> <p>Phase I of the Grade A Tech Park is developed by Embassy Construction Private Limited (“ECPL”) under a joint development agreement with a third-party landowner. Consisting of approximately 0.66 Million sq. ft., ECPL holds a share 0.40 Million sq. ft. and Philips India Limited has pre-leased 0.37 million sq. ft. (Ground to 12th Floor) and 0.03 million (13th Floor) has been committed as hard option to Philips India Limited. The current stage of the Phase I has RCC structural work finished up to the 13th floor, Façade work and Fire Fighting Installations completed up to the 12th floor, and completion is scheduled for Q2 FY 2024.</p> <p>Phase II, adjacent to Phase I is in under construction stage consisting of approx. 1.43 Million sq. ft., ECPL holds a share of 0.96 Million sq.ft., and is expected to be completed by Q2 FY 2028.</p>	 <p>View of Subject Property</p>  <p>View of Subject Property</p>
<p>Location / Situation:</p>	<p>The property ‘Embassy Business Hub’ (hereinafter referred to as ‘Subject property’) located along NH44 (Bellary Road) in Yelahanka falls on Peripheral North micro market of the city. The NH44 connects to Kempegowda International Airport & Devanahalli in the North and Outer Ring Road in the South which further enhances its connectivity to other parts of the city. It is in close proximity to Yelahanka sub micro-market which has emerged as one of the most prominent residential hotspots in the city. The micro market, which already has good social and physical infrastructure is expected to witness further growth upon completion of proposed infrastructural expansions such as Metro to Airport emanating from Outer Ring Road.</p> <p>The micro market is attracting traction from various developers for commercial and residential development due to relative lower price and superior connectivity to ORR, CBD and Airport. The subject property is</p>	 <p>View of Access Road from Subject Property</p>



	<p>located at proximity to residential catchment areas of Yelahanka New Town, Kogilu cross (Old Yelahanka), Jakkur, Sahakar Nagar and Kattigenahalli. Some of the well-established commercial centres include Bhartiya Center, L&T Tech Park, Manyata Embassy Business Park, Karle Town Centre Kirloskar Business Park, Modern Asset North Gate, RMZ Northstar, Brigade Opus, RMZ Galleria, Hinduja Ecopolis. The micro market houses renowned hotels like Hilton Grand Inn, Ibis Hotel, Courtyard by Marriott and some of the premium segment residential development include SNN Clermont, Embassy Lake Terrace, Century Ethos, L&T Raintree Boulevard, Sobha Palm Court, Brigade Northridge, Purva Zenium, Godrej Aqua and Mahaveer Celesse. Other social infrastructure in the micro market includes prestigious educational institutions and hospitals like Presidency College, Oxford School and Composite PU College, Millennium World School Bengaluru North - CBSE School, Alfa Public School and Omega Multi-speciality Hospital, K K Hospital, Navachethana Hospital, Aster CMI Hospital is located within its closed proximity.</p>
Description :	<p>Embassy Business Hub is a Grade A, Non-SEZ Park located on NH44 (Bellary Road), Bengaluru. The Subject Property has a total leasable area of ~0.66 million sq. ft. in Phase I and 1.43 million sq. ft in Phase II</p> <p>Phase I is expected to be completed by Q2 FY 2024.</p> <p>Phase II is expected to be completed by Q2 FY 2028.</p>
Total Area:	<p>Total Plot Area: ~13 Acres</p> <p>Phase I: ~0.66 Million Sq. Ft. ECPL JDA Share: ~0.40 Million Sq. Ft. Landowner JDA Share: ~0.25 Million Sq. Ft.</p> <p>Phase II: ~1.43 Million Sq. Ft. ECPL JDA Share: ~0.96 Million Sq. Ft. Landowner JDA Share: ~0.47 Million Sq. Ft</p>

MARKET VALUE OF THE SUBJECT PROPERTY

Components	Value in (₹Mn) [^]
Embassy Business Hub	3,533
<i>Phase I *</i>	<i>1,988</i>
<i>Phase II **</i>	<i>1,545</i>

This summary must not be copied, distributed or considered in isolation from the full report.

** Phase I collectively admeasures ~0.66 msf of leasable area. The Client's share is ~0.40 msf out of ~0.66 msf.*

***Phase II collectively admeasure ~1.43 msf of leasable area (including ~0.03 msf of food court area). The Client's share is ~0.96 msf including food court out of ~1.43 msf.*

^The values mentioned above pertains only to the Client's share in the development

TABLE OF CONTENTS

Disclaimer	1
Executive Summary	2
A REPORT	6
1 Instructions.....	6
2 Professional Competency of The Valuer.....	6
3 Independence and Conflicts of Interest	7
4 Purpose of Valuation.....	7
5 Basis of Valuation	7
6 Valuation Approach & Methodology.....	8
7 Assumptions, Departures and Reservations	9
8 Inspection.....	9
9 General Comment	9
10 Confidentiality.....	9
11 Authority	9
12 Reliant Parties	10
13 Limitation of Liability	10
14 Disclosure and Publication.....	11
15 Anti-Bribery & Anti-Corruption	11
B BENGALURU CITY REPORT.....	12
1 Bengaluru Office Market Overview	13
1.1 Bengaluru- Supply, Absorption & Vacancy.....	15
1.2 Recent Private Equity Deals in Bengaluru	15
2 Embassy Business Hub Micro-Market.....	15
2.1 Peripheral North Office Market Overview	15
2.2 Micro Market- Rental Trend Analysis.....	19
2.3 Micro Market- Supply, Absorption & Vacancy	21
2.4 Existing and Upcoming Infrastructure	24
2.5 Office Market Outlook.....	26
C PROPERTY REPORT	27
1. Address, ownership and title details of Subject property	28
1.1 Encumbrances	28
1.2 Revenue Pendencies.....	28
1.3 Material Litigation	28
2 Location	29
2.1 General.....	29
2.2 Accessibility.....	30
2.3 Ground Conditions	30
2.4 Environmental Considerations	30
2.5 Town Planning and Statutory Considerations	30
3 Subject property - Asset Description.....	31
3.1 Key Asset Information	32
3.2 Property Inspection	32
3.3 Investigation and nature and source of information	33
3.4 Tenant Profile.....	33
3.5 Lease Expiry Profile.....	33
D VALUATION APPROACH & METHODOLOGY	34
1.1 Asset-specific Review:.....	35
1.2 Micro-market Review:	35
1.3 Cash Flow Projections:.....	35
2 Assumptions considered in Valuation (DCF Method).....	37
2.1 EBH Valuation.....	37
2.1.1 Phase – I.....	37



2.1.2	Phase - II	41
3	Market Value.....	47
E	ANNEXURES.....	48
Annexure 1:	Cash Flows	49
Annexure 2:	Ownership Structure.....	51
Annexure 3:	Property Master Plan.....	52
Annexure 4:	Property Photographs	53
Annexure 5:	Statement of assets	54
Annexure 6:	LEED Pre Certification	55
Annexure 7:	List of sanctions and approvals	56
Annexure 8:	Demand notice received by Embassy Construction Private Limited.....	57
Annexure 9:	Ready Reckoner Rate	59
Annexure 10:	Caveats & Limitations.....	60



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

To: Embassy Office Parks Management Services Private Limited

Property: Embassy Business Hub located along NH44, Bengaluru

Report Date: 23rd March 2023

Valuation Date: 28th February 2023

A REPORT

1 Instructions

Embassy Office Parks Management Services Private Limited (hereinafter referred to as “the Instructing Party” or “the Client”), in its capacity as the Manager of the **Embassy REIT**, has appointed Ms. L. Anuradha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the “Valuer”), in order to undertake the valuation of business park named Embassy Business Hub, comprising commercial office real estate assets located along NH44 (Bellary Road) in Yelahanka, Bengaluru and (herein referred as “Subject Property”) for the proposed purchase of the Subject Property under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder, by the Embassy REIT. The exercise has been carried out in accordance with the instructions (Caveats & Limitations) detailed in Section 1.7 of this report. The extent of professional liability towards the Client is also outlined within these instructions.

2 Professional Competency of The Valuer

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

Anuradha has more than 16 years of experience in the domain of urban infrastructure, valuation and real estate advisory. She was working as an Associate Director for Cushman and Wakefield from 2013-2022 and was leading the team for Tamil Nadu, Kerala and Sri Lanka. Prior to joining Cushman, she has been involved in various strategy level initiatives in Institutional development and Infrastructure for donor agencies and various Government and Private clients. 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, 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 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, 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 Properties/ Business by the REIT and any fund-raising for this purpose, including , any information memorandum, preliminary placement document and placement document intended to be filed with the Securities and Exchange Board of India (“SEBI”), the stock exchanges or any other relevant regulator within or outside India, and in any other documents to be issued or filed in relation to such fund-raising, including any preliminary or final international offering documents for distribution to investors inside or outside India, and any publicity material, research reports, presentations or press releases and any transaction document, notice or communication to the unitholders or sellers (collectively, the “Placement Documents”)

5 Basis of Valuation

It is understood that the valuation is required by the Client for proposed purchase of the Subject Property/ Business by Embassy REIT under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, guidelines and notifications thereunder in the Indian stock exchange and for accounting purposes. Accordingly, the valuation exercise has been carried out



to estimate the “Market Value” of the Subject Property/ Business in accordance with IVS 104 of the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020 and allowed to be adopted prior to the effective date.

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

6 Valuation Approach & Methodology

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.

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 10 of this report. The development mix, built up area, land area and lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject property is based on the appropriate relevant documents which has been provided by the Client and the same has been adopted for the purpose of this valuation.

8 Inspection

The Property was visually inspected 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 the proposed purchase of the Subject Property/ Business by Embassy REIT.

11 Authority

The valuation services are being provided solely for the benefit and use of the Reliant Party(ies) by the Valuer. The report(s) may not be used for any other purpose other than the expressly intended purpose as mentioned in the LOE and the report(s). They are not to be used, circulated, quoted or otherwise referred to for any other



purpose, nor are they to be filed with or referred to in whole or in part in any document without the prior written consent of the Valuer where such consent shall be given at the absolute, exclusive discretion of the Valuer. Where they are to be used with the Valuer's written consent, they shall be used only in their entirety and no part shall be used without making reference to the whole report unless otherwise expressly agreed in writing by the Valuer. Notwithstanding the above, we consent to the usage of the report or a summary thereof for any filings and communications with the Manager to the Embassy REIT, the sellers, its unitholders, the trustee, their respective advisers and representatives, and in any placement documents as part of the purpose mentioned in the LOE. We further consent to copies or extracts of the report being used in publicity material, research reports, presentations and press releases in relation to the annual /semi-annual reports, financials and any other reporting requirements/disclosures required to be made. Any reliance by any party other than the Reliant Party on the valuation report will be on their own accord.

12 Reliant Parties

Embassy Office Parks Management Services Private Limited as the manager of the Embassy Office Parks REIT ("Embassy REIT") and its unit holders and Axis Trustee Services Limited for the purpose (of the valuation exercise) as highlighted in the LOE including for inclusion in any preliminary placement document, placement document, transaction document/communication to unit holders in connection with the proposed transaction. The auditors, chartered accountants, lawyers, merchant bankers and other advisers of the Embassy REIT can also place reliance on this valuation exercise and any report prepared in connection herewith, however no liability is extended to such parties.

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

13 Limitation of Liability

- The Valuer has provided the services exercising due care and skill but does not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the property. Further, the Valuer shall not accept liability for any errors, misstatements, omissions in the report caused due to false, misleading or incomplete information or documentation provided to her by the Instructing Party.
- The Valuer's maximum aggregate liability for claims arising out of or in connection with the Valuation Report, under this contract shall not exceed INR 30Million (Rupees Thirty Million Only) as agreed upon in the LOE 10th November 2022.
- In the event that any of the Sponsors, Manager, Trustee, Embassy REIT in connection with the proposed purchase of the Subject property/ business be subject to any claim ("Claim Parties") in



connection with, arising out of or attributable to the Valuation, the Claim Parties will be entitled to require the Valuer, to be a necessary party/ respondent to such claim and the Valuer shall not object to his inclusion as a necessary party/respondent. In all such cases, the Manager agrees to reimburse/ refund to the Valuer, the actual cost (which shall include legal fees and external counsel's fee) incurred by the Valuer while becoming a necessary party/respondent. If the Valuer does not cooperate to be named as a party/respondent to such claims in providing adequate/successful defence in defending such claims, the Claim Parties jointly or severally will be entitled to initiate a separate claim against the Valuer in this regard and the Valuer's liability shall extend to the value of the claims, losses, penalties, costs and liabilities incurred by the Claim Parties.

- The Valuer will neither be responsible for any legal due diligence, title search, zoning check, development permissions and physical measurements nor undertake any verification/ validation of the zoning regulations/ development controls etc.

14 Disclosure and Publication

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

The Embassy REIT may share this report with its appointed advisors for any statutory or reporting requirements and include it in any notice to the unit holders or any other document in connection with the proposed purchase of the property by Embassy REIT.

15 Anti-Bribery & Anti-Corruption

Both Parties represents, warrants and undertakes that:

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

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

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



B BENGALURU CITY REPORT



1 Bengaluru Office Market Overview

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

Particulars	India*	Bengaluru	Peripheral North (Including Hebbal)	Outer Ring Road (KR Puram-Sarjapur)	CBD / Off CBD	Peripheral East
Total completed stock 2022 (Million sq. ft.)	629.6	174.1	24.9	64.4	7.5	34.1
Current occupied stock 2022 (Million sq. ft.)	520.7	157.6	20.7	59.7	7.4	29.3
Current Vacancy 2022 (%)	17.3%	9.5%	16.9%	7.3%	2.3%	14.3%
Future Supply – 2023-2025 (Million sq. ft.)	174.8	47.1	9.1	15.0	0.9	9.6
Market Rent – 2022 (INR/ sq. ft./ month)	78	83	89	95	161	68

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:

Peripheral North – Bellary Road, Thanisandra Road, Tumkur Road, Hebbal

Outer Ring Road – Sarjapur, Marathahalli, KR Puram

CBD / Off CBD – M.G. Road, Millers Road, Vittal Mallya Road, Residency Road, etc.

Peripheral East – Whitefield

Out of the total commercial stock of 629.6 Million sq. ft. in India, nearly 27.6% of the stock is in Bengaluru. This shows the attractiveness of Bengaluru among the major Indian cities. The total occupied stock in Bengaluru is approximately 30.3% of the occupied stock in India. Also, Bengaluru accounts for approximately 26.9% of the upcoming future supply in India.

Bengaluru is the capital of the State of Karnataka and is located in the southeast of the state. For the purpose of the study, we will be covering the Greater Bengaluru region which is spread over a total area of over 786 sq. km. (conurbation area)¹ with a population of around 9.50 Million.

¹ www.bdaBengaluru.org



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

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

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

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

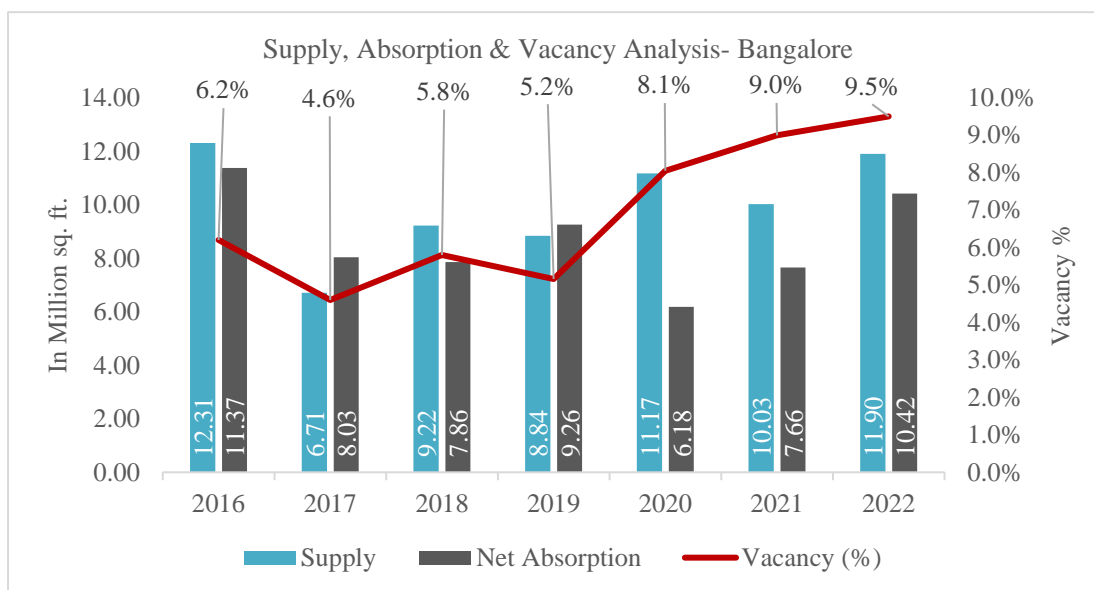
- **Information Technology (IT) capital:** Bengaluru is referred as India's information technology capital. It is home to many IT global firms such as Microsoft, Yahoo, Wipro, Infosys, IBM, GE, Google, Accenture, TCS etc.
- **Biotechnology Centres:** Bengaluru is a hub for biotechnology centres and houses some of the most prominent biotechnology research institutions of India like Indian Institute of Science and National Centre for Biological Resources.
- **Social Infrastructure:** Bengaluru has established educational institutions and colleges, Malls, Hospitals and hotels.
- **Transport infrastructure:** Bengaluru being the IT/IteS hub of India has good connectivity to other cities of the country through all the three modes (rail, road and air) of inland transportation. It has good road connectivity with availability of infrastructure like National Highway 4, National Highway 7, National Highway 48, State Highway 17 etc. It also provides good railway connectivity with four major railway stations and an operational metro line. Bengaluru is also well connected via air with other cities in India and other global cities with the help of 2 operational passenger terminals (Domestic and International) at Kempegowda International Airport.
- **Ongoing/Planned infrastructure projects:** Key initiatives include multiple metro lines, various road projects (proposed 110 km Peripheral Ring Road, widening of National Highway 7, Signal free Outer Ring Road).

Bengaluru being the IT / IteS hub of India has good connectivity to other cities of the country. It has good connectivity through all the three modes (rail, road and air) of inland transportation. Infrastructure initiatives such as Bengaluru's Metro Rail Project Phases 2 & 3, the Cantonment-Whitefield Railway Line's Quadrupling, and the Bangalore Suburban Railway Project would significantly reduce the traffic congestion and further enhance the connectivity of other parts of the city.



1.1 Bengaluru- Supply, Absorption & Vacancy

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



Source: Cushman Wakefield Market Research Report

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

1.2 Recent Private Equity Deals in Bengaluru

1. In December 2020, RMZ Corp has completed the sale of 12.80 Million sq. ft. out of 67 Million sq. ft. (or around 18%) of their Real Estate assets to Brookfield Asset Management, for US \$2 Billion.
2. In March 2021, Prestige Group has sold assets worth INR 7,467 Crore to investment firm Blackstone in the first phase of INR 9,100 Crore transaction. Further, as part of the first phase, the company sold 100 per cent stake in Cessna Business Park and Aloft Hotel, Trade Tower in Bengaluru and Prestige Fintech in Gift city.
3. In March 2022, Canada Pension Plan Investment Board (CPPIB) has acquired Prestige Group’s stake in the commercial project jointly owned by Prestige Group with RMZ Corp in a deal valued over INR 1,800 Crore.

2 Embassy Business Hub Micro-Market

2.1 Peripheral North Office Market Overview

The Peripheral North Bengaluru micro-market can be classified into 3 distinct micro-markets – Hebbal and surrounding areas, Yelahanka, Devanahalli and its surrounding areas.

The subject property is located in Yelahanka, Peripheral North Micro market. This stretch is still in nascent stage with Hebbal and its surrounding areas being the established vector in the Peripheral North Micro Market. Development of Outer Ring Road in 2004 fuelled the growth of real estate activity along the ring road and on



the arterial roads emanating from the same, by improving accessibility and connectivity. Further, the establishment of Manyata Tech Park on ORR triggered the development of organized real estate in the micro market. The development emerged as one of the most prominent and successful IT/ITES development in the city and transformed the micro market into a prominent commercial hub of North Bengaluru. Furthermore, with the establishment of the Kempegowda International Airport at Devanahalli, north Bengaluru micro market witnessed enhanced activity on the stretch from Hebbal junction to the airport including the subject property submarket.

Due to the relatively higher land prices and limited availability of land in Hebbal vector, developers are launching commercial office projects in the latter stretches of this micro market emanating from Jakkur to Devanahalli. However, the vector is yet to witness overwhelming preference from the occupiers owing to limited social infrastructure in the vector resulting in high vacancy levels among office developments in this vector.

The Kempegowda International Airport at Devanahalli serves as a major growth driver for real estate development in the region. The commercial development is driving demand for residential, retail, hospitality and ancillary segments in the micro-market. In the last 8 – 9 years, the North Bengaluru micro – market had witnessed land banking from several established developers and the same is expected to continue.

North Bengaluru is increasingly witnessing substantial residential development activity by a variety of developers. The typology of residential developments includes apartments, row-houses, villas, and plotted developments. Locations like Hebbal, Amrutahalli and Sahakar Nagar are established residential corridors of the micro market comprising independent houses and apartments; while locations like Thanisandra, Horamavu and Hennur Road are witnessing high level of residential activity and developing at a rapid pace owing to the commercial development in the immediate vicinity of these micro markets.

Locations like Yelahanka, Kogilu, Bagaluru Road, Hunsmanahalli (off Bellary Road), and Doddaballapur Road are also witnessing a number of residential launches mainly contributed because of the surging prices in the neighbourhood markets of Hebbal.

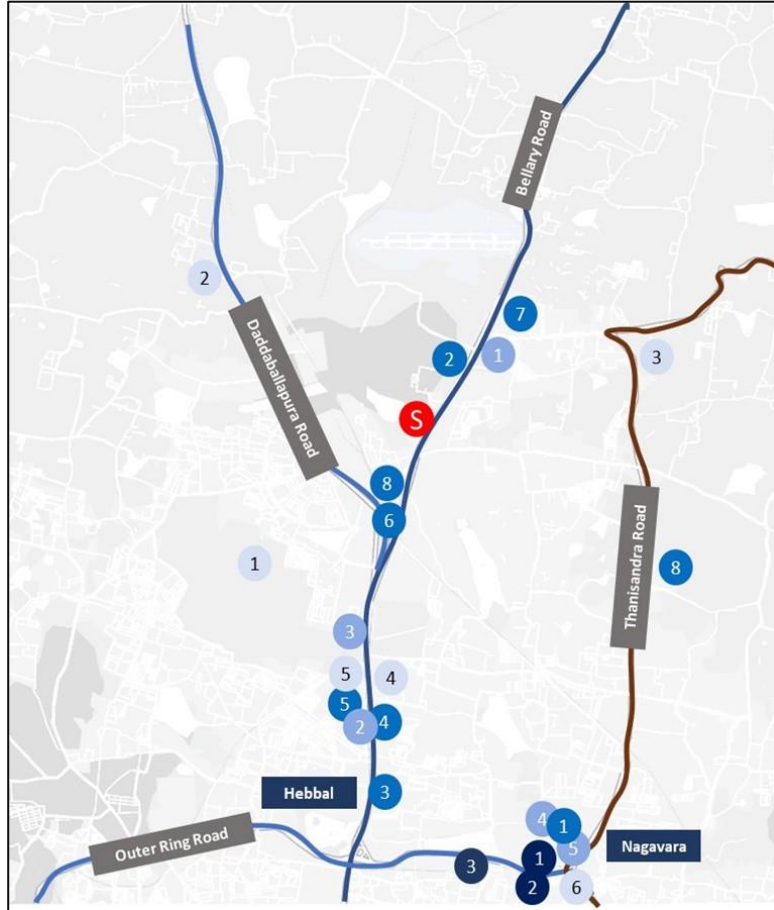
Commercial development in the form of Campus styled developments in North Bengaluru is majorly concentrated around Outer Ring Road and the segment of Bellary Road closer to Hebbal. Some of the prominent commercial developments in North Bengaluru include Manyata Embassy Business Park (Hebbal), RMZ Latitude, Brigade Magnum, Brigade Opus, Kirloskar Business Park (Hebbal), Karle Town Centre, among others. The upcoming under construction supply in the Peripheral North including Hebbal in the next 2-3 years is approximately 9.15 million sq. ft.

Currently, the organized retail activity in North Bengaluru is concentrated around Hebbal, Thanisandra Main Road and Sahakar Nagar. The retail activity in the micro market is predominantly limited to standalone developments mostly relating to automobile segment, eateries, gyms, departmental stores amongst others. The large retail developments in close vicinity to the subject micro market include Elements Mall (310,000 sq. ft.) on Thanisandra Main Road, Esteem Mall (125,000 sq. ft.) in Hebbal, RMZ Galleria Mall (500,000 sq. ft.) in



Yelahanka, Bhartiya City (850,000 sq.ft) in Thanisandra and Century Corbel in Sahakar Nagar. Upcoming malls in the micro market include Phoenix Mall of Asia (~ 1,200,000 sq. ft).

Some of the residential projects from Hebbal to Airport stretch include Embassy Lake Terraces, L&T Raintree Boulevard, Century Horizon, Godrej Aqua, Godrej Platinum Sobha Dream Garden, Sobha Palm Court, etc.



S Subject Property

Map Not to Scale

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

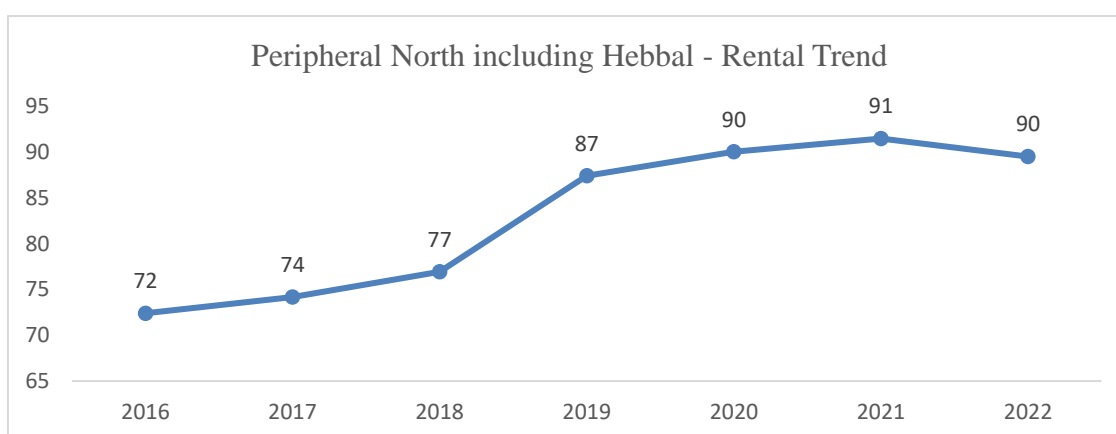


Key Commercial Developments	Social Infrastructure	Hospitality Developments	Proposed Commercial Developments
1. Manyata Embassy Business Park	1. GKVK	1. Hilton Garden Inn	1. Sattva Horizon
2. Modern Asset North Gate	2. BMS College of Engineering	2. Ibis Hebbal	2. Century Downtown
3 Kirloskar Business Park	3. Reva University	3. Courtyard by Marriott	3. L&T Tech Park S1 & S2
4. Brookfield Azure	4. Manipal Hospital Hebbal		4. Embassy Manyata (M3)-Phase I
5. Brigade Opus	5. Aster CMI Hospital		
6. RMZ Galleria	6. JMJ Hospital		
7. Hinduja SEZ			
8. Brookfield North Star			
9. Bhartiya Centre for Information Technology			

Source: Secondary Market Research

2.2 Micro Market- Rental Trend Analysis

The vacancy levels in the peripheral north including Hebbal micro market have decreased from 20.6% in 2021 to 16.9% in 2022. The reason can be attributed to large transactions in the micro market in 2022. The upcoming infrastructure initiatives will expand the leasing activities rapidly resulting in increased Market Rent. Current quoted market rentals in Peripheral North are in the range of INR 55-75 per sq. ft./ month and the developments in Hebbal stretch tend to command higher rental rates of INR 85-100, depending on Size, Grade of the Building, Amenities offered, Type of Tenant, Lease terms, etc. The rental escalations from the years 2016 - 22 have witnessed moderate growth resulting in a CAGR of approximately 3.1% owing to high levels of vacancy in the market and further induced by Covid-19 pandemic. The subject micro-market is currently witnessing an absorption of 1.5 – 2.0 Mn Sft, which is expected to absorb the supply overhang. In addition, it has been observed that there is high demand for Commercial Office Developments by Grade A developers (viz. Embassy, Prestige, Salarpuria, etc.) Further, the upcoming Metro Corridor is expected to have a significant positive impact on the location and the Rentals are expected to witness an upward trend owing to improved connectivity and the healthy absorption levels witnessed in the market.



Source: Cushman Wakefield Market Research Report

Some of the prominent transactions in the Peripheral North including Hebbal are tabulated below-

Tenant	Development	Location	Area Leased (Mn sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of facility
Indiqube	Brigade Opus	Bellary Road	0.03	Q4 2022	72	Warm Shell
Manyata Mfar Greenheart	M-Far	Hebbal	0.03	Q3 2022	95	Warm Shell
Incubex	Brigade Triumph	Hebbal	0.2	Q3 2022	70	Warm Shell
IBM India Private Limited	Bhartiya Centre for Information Technology - Block 3	Thanisandra Main Road	0.18	Q3 2022	98	Furnished



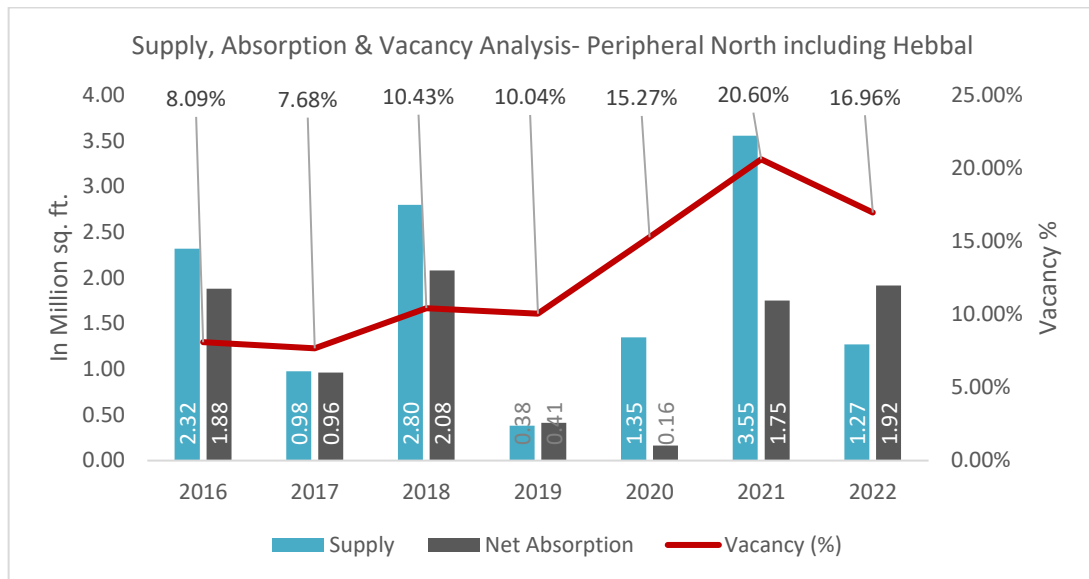
Tenant	Development	Location	Area Leased (Mn sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of facility
IBM India Private Limited	Bhartiya Center for Information Technology Block -3B	Thanisandra Main Road	0.05	Q3 2022	97	Warm Shell
Weir Minerals	Brigade Opus	Hebbal	0.03	Q3 2022	75	Warm Shell
Mfar Manyata Embassy Business Park	Mfar Manyata	Hebbal	0.07	Q2 2022	100	Warm Shell
Ecolab	Bhartiya Center for Information Technology Block -2	Thanisandra Main Road	0.06	Q2 2022	63	Warm Shell
SMEDC Services	Bhartiya City - Block 2	Thanisandra Main Road	0.06	Q2 2022	62	Warm Shell
MEBP (E2 - Silveroak)	Embassy Office Parks REIT	Hebbal	0.04	Q2 2022	95	Warm Shell
Simple Energy	Modern Asset North Gate	Bellary Road	0.03	Q2 2022	54	Warm Shell
Karle Hub 1	Karle Group	Hebbal	0.01	Q2 2022	72	Warm Shell
MEBP	Embassy Office Parks REIT	Hebbal	0.51	Q1 2022	92	Warm Shell
Alcon Labs	Brookfield Azure	Bellary Road	0.08	Q1 2022	72	Warm Shell
Ceridian	Brookfield Azure	Bellary Road	0.08	Q1 2022	74	Warm Shell
Citibank	Brigade Magnum	Bellary Road	0.04	Q1 2022	75	Warm Shell

Source: Secondary Market Research



2.3 Micro Market- Supply, Absorption & Vacancy

A snapshot of the supply, absorption and vacancy trend for Peripheral North including Hebbal is as below-



Source: Cushman wakefield market research report

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

- The total stock of commercial office space in Peripheral North including Hebbal as on 2022 is approximately 24.89 Million sq. ft. (Grade A office space)
- The total net absorption of commercial office space in Peripheral North including Hebbal during 2022 has been approximately 1.92 million sq. ft. and during 2021 total net absorption was approximately 1.75 Million sq. ft.
- The supply in this micro market as on 2022 was 1.27 Million sq. ft. in comparison to the 3.55 Million sq. ft. supply in 2021. Also, the future supply in this micro market from 2023 to 2025 is 9.15 Million sq. ft. In 2020 the supply in the micro market was 1.35 Million sq. ft. and 0.38 Million sq. ft. in 2019.
- The vacancy level for office space in Peripheral North including Hebbal dropped to 16.96% in 2022 from 20.60% in 2021. The reason can be attributed to limited office space availability in the Hebbal Stretch micro market. Peripheral north witnessed a healthy absorption in the year 2022 due to the large office space taken by Philips and IBM which resulted in decrease in vacancy levels.



Some of the prominent operational commercial developments in Peripheral North including Hebbal include:

Building Name	Developer	Location	Year of Completion	Completed Super Built-up area (Million sq. ft.)	Vacancy as on 2022 (Mn sq. ft.)	Warm shell Quoted Rentals (INR per sq. ft. per month)	Main Occupiers
Manyata Embassy Business Park	Embassy Office Parks REIT	Hebbal	2007-2020	13.08	0.76	85-100	CTS, Capgemini, IKEA
Bhartiya Centre for Information Technology	Bhartiya Group	Thanisandra Main Road	2015-2022	2.64	0.67	65-70	IBM, Infosys, Maersk
Modern Asset North Gate	Modern Asset	Bellary Road	2018-2021	1.90	0.47	55-60	Collins Aerospace, Pratt & Whitney
Karle Town Centre	Karle Group	Hebbal	2014-2021	1.86	0.11	85-90	Smartworks, H&M, Epsilon
Umiya Velociti	Umiya Group	Bellary Road	2021	0.82	0.60	85-90	NA
Hinduja SEZ Block 3	Hinduja Developers	Bellary Road	2016	0.80	0.68	50-55	Axa Business Services
Brigade Magnum	Brigade Group	Bellary Road	2015	0.50	Nil	80-85	Citi Bank, PwC, Coca Cola Beverages
MSR Pacman	M S Ramaiah Developers And Builders	Hebbal	2022	0.41	0.21	85-90	Novo Nordisk
Brigade Opus	Brigade Group	Bellary Road	2018	0.40	0.01	85-90	ABB, CEDE Smith, Indiqube
Brigade Senate	Brigade Group	Hebbal	2020	0.39	0.22	80-85	Teva Pharma, Actavis Group, Lotus Labs
Brookfield Azure	Brookfield	Bellary Road	2019	0.38	0.02	80-85	Boeing, Alcon Labs, Enercon



Building Name	Developer	Location	Year of Completion	Completed Super Built-up area (Million sq. ft.)	Vacancy as on 2022 (Mn sq. ft.)	Warm shell Quoted Rentals (INR per sq. ft. per month)	Main Occupiers
Brookfield North star	Brookfield	Yelahanka	2011	0.31	0.08	60-65	Surbana Jurong
Salarpuria Galleria (Block I)	Salarpuria Sattva	Bellary Road	2018	0.26	0.18	75-80	Kia Motors, Simpli Namdhari's
Kirloskar Business Park	Embassy Property Developments Limited	Bellary Road	2000	0.25	0.03	95-100	Coca Cola, XIME, Awfis
RMZ Latitude	RMZ Corp	Bellary Road	2017	0.23	Nil	85-90	PwC, Wework, Moog Controls
Brigade Triumph	Brigade Group	Bellary Road	2022	0.20	Nil	85-90	Incubex

Source: Secondary Market Research

Some of the prominent under construction commercial developments in Peripheral North including Hebbal are:

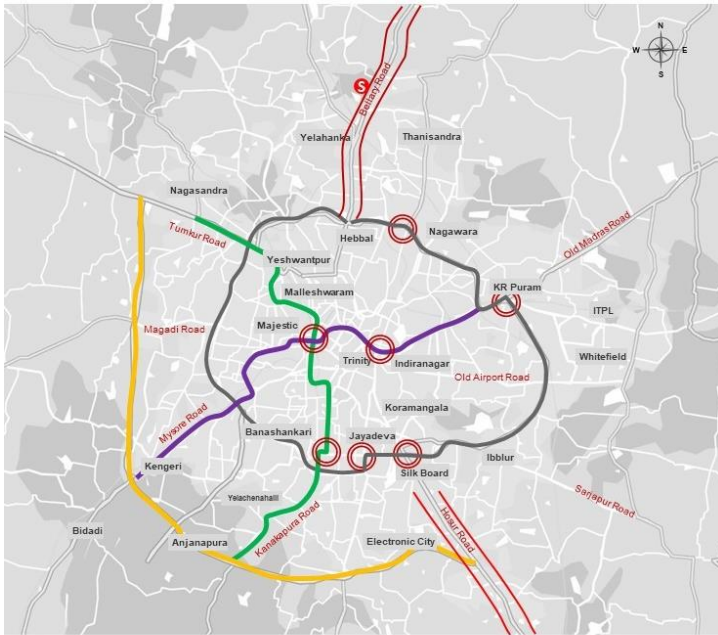
Building Name	Developer	Location	Year of Completion	Super Built-up area (Million sq. ft.)	Construction Status
Capitaland (Garden City)	Capitaland	Hebbal	2025	1.65	Under-construction
Embassy Manyata (M3)-Phase I & II	Embassy Office Parks REIT	Hebbal	2025	1.60	Under-construction
Prestige Tech Cloud Block 3	Prestige Group	Devanahalli	2025	0.35	Under-construction
Century Downtown	Century Group	Bellary Road	2024	0.78	Under-construction
Divya Sree Avance Tower T3A	DivyaSree Developers	Hennur Road	2024	0.66	Under-construction
L&T Tech Park S2	L&T Realty	Bellary Road	2024	0.65	Under-construction
Divya Sree Avance Tower T2	DivyaSree Developers	Hennur Road	2024	0.59	Under-construction
Prestige Tech Cloud Block 2	Prestige Group	Devanahalli	2024	0.35	Under-construction
Sattva Horizon (Bagalur Cross)	Salarpuria Sattva	Bellary Road	2023	1.03	Under-construction
Phoenix Asia Tower	Phoenix Mills	Bellary Road	2023	0.76	Under-construction
Prestige Tech Cloud Block 1	Prestige Group	Devanahalli	2023	0.35	Under-construction
L&T Tech Park S1	L&T Realty	Bellary Road	2023	0.53	Under-construction

Source: Secondary Market Research



2.4 Existing and Upcoming Infrastructure

Existing Infrastructure:

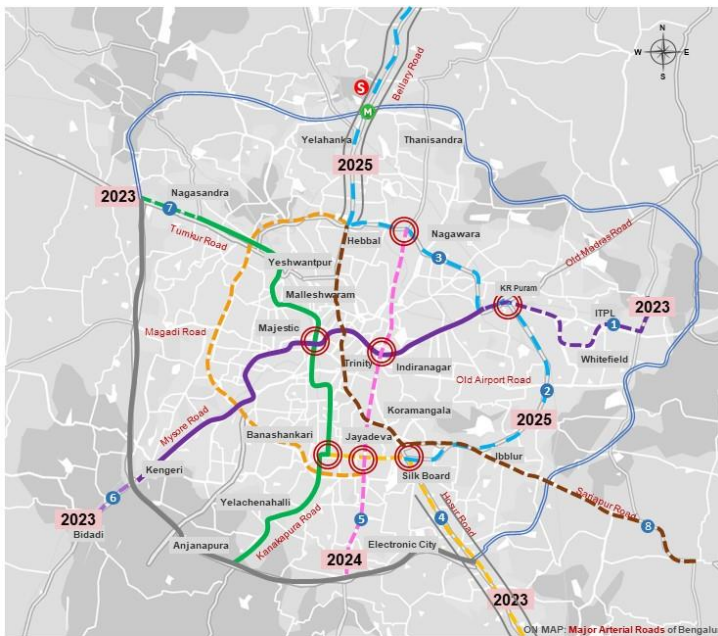


5 Subject Property

ON MAP: Major Arterial Roads of Bengaluru

Metro Rail Network
Phase 1 - Operational Green & Purple Line
<ul style="list-style-type: none"> Green Line Nagasandra to Silk Institute Metro Station – 30.5 Kms (Completion 2014 – 2021) Purple Line Mysuru Road to Baiyappanahalli (KR Puram) – 18.22 Kms (Completion 2011 – 2015)
Outer Ring Road
<ul style="list-style-type: none"> 60 Km stretch around Bengaluru that now is the prime IT destination in the city (Completion 1996 – 2002)
NICE Road
<ul style="list-style-type: none"> 4 lane corridor, part of the Bengaluru-Mysore Industrial corridor that acts as a major by-pass
Elevated Expressways
<ul style="list-style-type: none"> 22 Kms Expressway connecting Hebbal to Airport 9.9 Kms Electronic city flyover connecting Madiwala to Electronic City (Completion 2010)

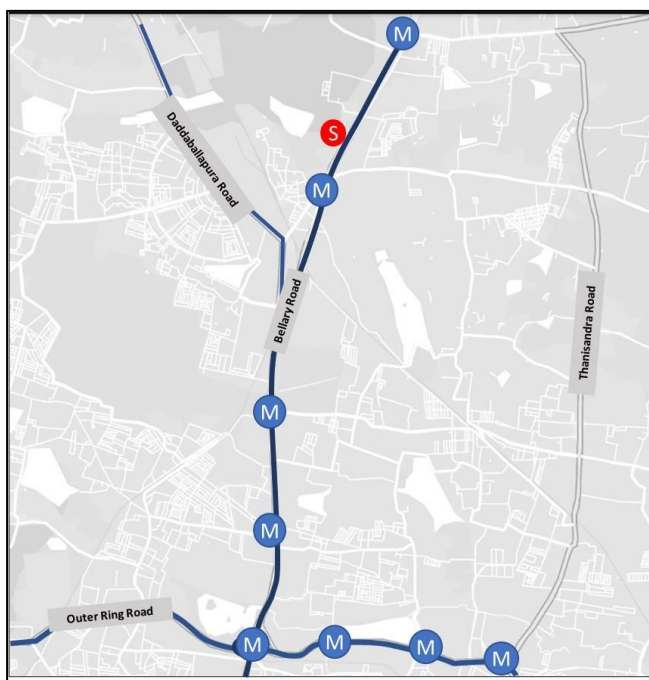
Upcoming Infrastructure:



5 Subject Property 6 Infrastructure 7 Yelahanka Metro Station

ON MAP: Major Arterial Roads of Bengaluru

Metro Rail Network
<ol style="list-style-type: none"> Purple Line Extension Baiyappanahalli to Whitefield - Under-construction Line; Blue Line Silk Board to KR Puram Under-construction Line; Blue Line KR Puram to Airport Under-construction Line;
<p>Current Status: Metro pillars and via duct being laid. *ORRCA is closely monitoring the progress of this metro line and liaising with the government to expediate the completion. Expected completion as per official estimates Q4 2024, however owing to delays in the past we have assumed completion Q4 2025 for Silkboard - Airport line.</p> <p>The subject property is at a distance of ~1 – 2 Kms from Yelahanka Metro Station.</p>
<ol style="list-style-type: none"> Yellow Line RV Road to Bommasandra - Under-construction Line; Pink Line Nagavara to Kalena Agrahara - Expected Completion December 2024 Purple Line Extension Kengeri to Ancephalya - Expected Completion December 2023 Green Line Extension Nagasandra to Madavara - Expected Completion March 2023 Brown Line Sarjapur to Hebbal - Expected Completion 2030 Orange Line JP Nagar to Kempapura – Expected Completion 2029
<p>*ORRCA – Outer Ring Road Companies Association</p>
Peripheral Ring Road
<ul style="list-style-type: none"> 65 Km stretch is planned to circumnavigate through the city – Planned
Suburban Rail Network
<ul style="list-style-type: none"> Corridor 1 – Kengeri to Whitefield Corridor 2 – KSR Bengaluru City to Rajankunte Corridor 3 – Nelamangala to Baiyappanahalli Corridor 4 – Heelalige to Devanahalli
<p>Suburban rail is an under construction commuter rail project expected to enhance connectivity between prominent locations in Bengaluru. Expected completion 2026 – 2027</p>



(Map not to Scale)

The upcoming metro line connectivity in Phase 2 of the metro construction will provide good connectivity from the other parts of the city to Peripheral North (Silk Board – Bengaluru International Airport). As per the Bengaluru Metro Rail Corporation Limited (BMRCL) website, the metro line is under construction and will be completed by 2025.

The Peripheral North micro market has 22 kms expressway connecting Hebbal to Airport, signal-free (by construction of underpasses and flyovers).

Key Statistics for Peripheral North including Hebbal are:

Particulars	Details
Total completed stock (2022)	Approximately 24.89 Million sq. ft.
Current occupied stock (2022)	Approximately 20.67 Million sq. ft.
Current Vacancy (2022)	Approximately 16.96%
Future Supply (2023 – 2025)	Approximately 9.15 Million sq. ft.

Source: Secondary Market Research



2.5 Office Market Outlook

The total commercial stock in Peripheral North including Hebbal as of 2022 is approximately 24.89 million sq. ft. (approx. 14.30% of the city's total stock of commercial office stock). Current quoted market rentals in Peripheral North are in the range of INR 55-75 per sq. ft./ month and the developments in Hebbal stretch tend to command higher rental rates of INR 85-100, depending on Size, Grade of the Building, Amenities offered, Type of Tenant, Lease terms, etc. Due to locational advantages, the developments near Hebbal stretch (Outer Ring Road) tend to command higher rental rates than those in Yelahanka and Thanisandra. Further, over 2016-2022 the rentals in the micro market witnessed muted growth resulting in a CAGR of approximately 3.1% owing to high levels of vacancy in the market induced by Covid-19 pandemic. Considering the stabilisation and reduction in vacancy, we are of the opinion that the rentals in the micro market are expected to increase at 2-3% in the medium term and by 5% in line with other micro markets over the following 2-3 years. Further, the upcoming Metro Corridor will have a positive impact on the rentals owing to improved connectivity and enable annual growth rate of ~5% in the market rentals in lines with other markets of Bangalore.

Peripheral North is currently in the initial stages of development. The activity beyond Yelahanka was a result of spill over real estate activity from Hebbal Outer Ring Road (Embassy Manyata Business Park). Off late, in the past 1-2 years, Peripheral North has started witnessing interests from prominent MNCs and Indian companies on account of the improved infrastructure initiatives, connectivity to the International Airport, etc. The location is emerging in terms of real estate activity and majority of the developments are at various stages of construction. Some of the prominent companies who have expanded to Peripheral North includes IBM Technologies Private Limited, Infosys, Philips, etc. Going forward, infrastructure initiatives such as the Metro connectivity (under-construction) will further enhance the attractiveness & connectivity of the subject location.



C PROPERTY REPORT



1. Address, ownership and title details of Subject property

Address:	Embassy Business Hub (EBH), Sy.# 25/2 , 25/3 & 26, Venkatala Village, Bellary Road, Yelahanka Bengaluru North, Bengaluru.
Ownership & title details:	JDA: ~13 Acres (by the respective landowners)

Source: Architect Certificate, Title Report

1.1 Encumbrances

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

1.2 Revenue Pendencies

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

1.3 Material Litigation

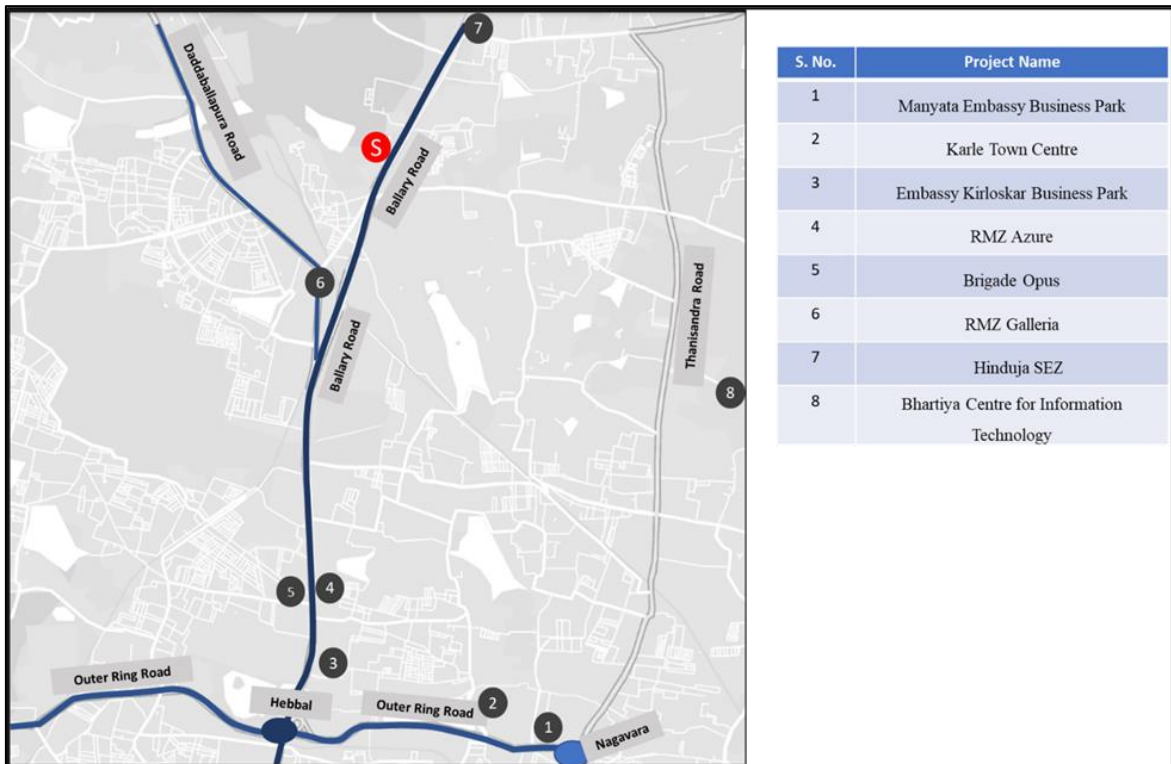
Based on discussions with the Client and Title Reports shared, there are no material litigation relating to the Subject Property except as mentioned in Annexure 8. It may be noted that the valuation is subject to the fact that the property is considered to possess a good and clear marketable title and is free from any unusually onerous encumbrances

2 Location

2.1 General

The property ‘Embassy Business Hub’ (hereinafter referred to as ‘Subject property’) is located along Bellary Road, in Yelahanka which falls on Peripheral North - Hebbal micro market of the city. There are numerous potential growth prospects along this emerging corridor. Its already attracting traction from various developers for commercial and residential development due to lower price and superior connectivity to ORR and Airport. The subject property is located at close distance to residential catchment areas of Yelahanka New Town, Kogilu cross (Old Yelahanka), Jakkur, Sahakar Nagar and Kattigenahalli. The retail developments in the micro market include a mix of stand-alone stores and malls such as RMZ Galleria, Garuda Mall (Yelahanka Central) and Bhartiya City Centre. The prominent developments near the subject property include Railway Wheel Factory, General Hospital, Apoorva Hospital, University of Agricultural Sciences among others.

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



The subject property is spread out over ~13 Acres of land parcel. Located along NH44 (Bellary Road), 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 1-2 kms from Yelahanka Railway Station
- Approximately 15-16 kms from Kempegowda International Airport
- Approximately 18-19 kms from M G Road Metro Station
- Approximately 18-19 kms from Bengaluru Railway Station

The Subject property is well accessible to different parts of the city through the Bellary 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.

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. Bengaluru where the Subject property is located falls in Seismic Zone II 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

Embassy Business Hub is a Grade A Tech Park located on Bellary Road, Bengaluru. It comprises of Non-SEZ buildings. The Subject Property has two phases - Phase I & Phase II.

Phase I of the Grade A Tech Park admeasure ~0.66 Million Sq. ft. of leasable area and Phase II admeasure 1.43 Million Sq. ft. respectively. Phase I is expected to be completed by Q2 FY 2024. Phase II is expected to be completed by Q2 FY 2028.

Under Construction Buildings

Particulars	Total Leasable Area (Million Sq. Ft.)	ECPL JDA Share (Million Sq. Ft.)	Landowner JDA Share (Million Sq. Ft.)	Usage type	Status
Phase I	0.66*	0.40*	0.25*	Non-SEZ	Under-construction
Phase II	1.43*	0.96*	0.47*	Non-SEZ	Under-construction

**Refers to Developable area*

Source: Architect's Certificate, Rent Rolls, JDA, sharing agreement with landowner and agreement to lease with Philips

Embassy Business Hub is planned as commercial office development. The Tech Park will offer various quality amenities to its employees including Food Courts, amenity areas. Spread across approx. ~13 Acres, Embassy Business Hub comprises of approximately 2.09 Million sq. ft. of leasable area.

3.1 Key Asset Information

Under Construction Buildings

Particulars	Details
Grade A Tech Park:	Phase I Total Area: 0.66 Million Sq.ft Phase II Total Area: 1.43 Million Sq.ft
Expected completion date of construction:	Phase I – Q2 FY 2024 Phase II – Q2 FY 2028
Asset type:	Commercial Office/Non SEZ
Approved Usage:	Commercial Office
Leasable Area:	Phase I: 0.66 Million Sq ft Phase II: 1.43 Million Sq ft
Status of construction:	Under-construction
Approvals received and pending as on Valuation Date	List of approvals detailed in Annexure 8

**Note: The proposed transaction is a related party transaction.*

3.2 Property Inspection

The Subject Property comprising under-construction block was inspected by the valuer. The inspection comprised visual inspection of Phase I with RCC structure work completed up to 13th floor, Façade work was under progress till 12th Floor, Fire Fighting installations were done till 12th floor, AHU till 11th floor, other miscellaneous works were under progress at different stages. Further, all three level basement works were completed except painting and finishing works. Further, the common areas within the buildings were visited on a sample basis as the building had access restriction since it was under construction.

Phase I comprises of 3B+G+13 upper floor. The all 3 basements are designated for parking & other mechanical installations (wherever required). The ground, first and second floor has been proposed for R&D lab installation as per the specifications request by tenant (Philips India Limited). Further, the 3rd to 13th floor is proposed for office use.



As per the information provided by client, the completion date of Phase I is expected by Q2 FY 2024.

During the site inspection, the Phase II is currently under construction with appointment of civil contractors, finalization of master plan and site mobilization is work in progress.

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 certificates prepared by the Trilegal 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. Lease agreements and commercial clauses thereof for Philips India Limited
- d. Masterplan/ Development plan applicable in the jurisdiction of the Subject property.
- e. 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.

3.4 Tenant Profile

ECPL holds a share of 0.40 Million sq. ft. Philips India Limited has pre-leased 0.37 million sq. ft. (Ground to 12th Floor) and 0.03 million (13th Floor) has been committed as hard option to Philips India Limited

3.5 Lease Expiry Profile

The ultimate Lease Expiry of Philips India Limited in the property is 15 years including two renewal terms of 5 Years each at lessee's option to renew.



D VALUATION APPROACH & METHODOLOGY



1.1 Asset-specific Review:

As the first step, 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, agreements belonging to tenants with pre-committed area were reviewed on a sample basis.

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 28th February 2023

Cashflow Period	Unit	Details
Valuation Date		28-Feb-23
Cashflow period	Years	10
Cashflow exit period	End date	28-Feb-33

2.1 EBH Valuation

2.1.1 Phase – I

Property details

Property Details	Unit	Details
Total Area	Mn. Sq.ft.	0.66
Embassy share Area	Mn. Sq.ft.	0.40
Total Property Leasable Area for Embassy	Mn. Sq.ft.	0.40
Land Owner share Area	Mn. Sq.ft.	0.25
Area Leased- Philips upto 12th floor	Mn. Sq.ft.	0.37
Area Committed- 13th floor (Hard Option)	Mn. Sq.ft.	0.03
Pre Leased	%	93%
Hard option	%	7%
Rent Free Period-Existing Lease Roll Overs	Months	1.0
Rent Free Period- New Lease	Months	4.0
4W parking slots - total		535
2W parking slots	Number	535

- As per agreement to lease provided by client, ECPL holds a share of 0.40 Million sq. ft. and Philips India Limited has pre-leased 0.37 million sq. ft. (Ground to 12th Floor) and 0.03 million (13th Floor) has been committed as hard option to Philips India Limited
- Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.

Construction related assumptions

Construction Related Assumptions	Unit	Office
End Date of Construction		30-September-2023
Total Construction Cost	INR Million	3,690
Construction Cost Incurred till Date	INR Million	2,088
Construction Cost to be Incurred	INR Million	1,603

Note: Reliance on Client inputs for the assumptions relating to construction

Revenue Assumptions

Revenue Assumptions	Unit	Details
Market Rent - Office	Per sq.ft./month	INR 65.00
Market 4 W Parking Rent	Per slot/month	INR 3,000
Other operating income	% of lease rental	1.00%
Market Rent growth rate FY 2024-Oct-23 Onwards	% p.a.	2.50%
Market Rent growth rate FY 2025 onwards	% p.a.	5.00%
Parking income growth rate	% p.a.	5.00%
Normal market escalation at end of every	years	3 years of lease tenure
Market escalation at end of escalation period	%	15.0%
Target efficiency	%	100.0%
CAM Margin	INR	INR 2.57

- **Achievable Market Office:**

Peripheral North including Hebbal had its highest net absorption in 2022 with ~ 1.92 Million Sq. ft. The stretch on Bellary Road (NH-44) from a commercial office profile can be divided into 2 parts – from Hebbal/ Outer Ring Road to Yelahanka and locations beyond Yelahanka. The Stretch from Hebbal/ Outer Ring Road to Yelahanka witnesses higher rentals (INR 85-100 per sq. ft. per month) on account of superior connectivity, distance from the city centre, social infrastructure, etc. The stretch beyond Yelahanka witnesses lower rentals as the location is emerging in terms of real estate activity, social infrastructure, distance from the city centre, etc. The quoted rentals witnessed for Commercial developments beyond Yelahanka are subdued (viz. INR 50-65 per sq. ft. per month) as compared to the initial stretches of Bellary-road closer to Hebbal/ Hebbal Outer-Ring Road.

- Achievable market rent of the subject property has been considered in line with market rental trends for warm shell property at INR 65 per sq. ft. per month.
- It may be noted that the last three years the rentals have been stable owing to slowdown induced by the pandemic. The micro-market witnessed high vacancy levels due to limited physical infrastructure and accessibility to other parts of the city. However, the upcoming infrastructure initiatives will expand the leasing activities rapidly resulting in increased Market Rent. The growth rate in market rentals for the subject property has been assumed at 2.5% from Oct 2023 till Mar 2024 and 5% for future based on the expected growth rate and the vacancy in the micro-market
- **CAM Margin** of INR 2.57 with an annual escalation of 5% is assumed based on the similar asset performing in the micro market.

Tenant	Development	Location	Area Leased (Mn sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of facility
Indiquebe	Brigade Opus	Bellary Road	0.03	Q4 2022	72	Warm Shell
Manyata Mfar Greenheart	MFar	Hebbal	0.03	Q3 2022	95	Warm Shell

Tenant	Development	Location	Area Leased (Mn sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of facility
Incubex	Brigade Triumph	Hebbal	0.2	Q3 2022	70	Warm Shell
IBM India Private Limited	Bhartiya Centre for Information Technology – Block 3	Thanisandra Main Road	0.18	Q3 2022	98	Furnished
IBM India Private Limited	Bhartiya Center for Information Technology Block - 3B	Thanisandra Main Road	0.05	Q3 2022	97	Warm Shell
Weir Minerals	Brigade Opus	Hebbal	0.03	Q3 2022	75	Warm Shell
Ecolab	Bhartiya Center for Information Technology Block -2	Thanisandra Main Road	0.06	Q2 2022	63	Warm Shell
SMEDC Services	Bhartiya City - Block 2	Thanisandra Main Road	0.06	Q2 2022	62	Warm Shell
MEBP (E2 - Silveroak)	Embassy Office Parks REIT	Hebbal	0.04	Q2 2022	95	Warm Shell
Karle Hub	Karle Group	Hebbal	0.01	Q2 2022	72	Warm Shell

Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (New Lease)		2 Month Rent
Brokerage cost (Renewal/Release)		1 Month Rent
Property Tax	Per sq.ft./month	INR 3.00
Insurance	Per sq.ft./month	INR 0.28
CAM cost escalation	% p.a.	5.0%
Cost escalation	% p.a.	5.0%
Transaction cost on sale	% of Terminal Value	1.0%
Other Operating Expenses	% of Lease Rentals	1.0%
Property Management Fees	% of Lease Rentals	3.00%

- **Brokerage-** In accordance with the market benchmarks for Grade A property, we brokerage expenses amounting to two months for new leases and one month for existing lease rollovers.
- **Property Tax** have been considered at INR 3.00 per sq. ft. per month and Insurance at INR 0.28 per sq. ft. per month.
- **Other Operating Expenses** and have been assumed at 1% 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.
- Based on information received from the client, **Property Management fees** have been assumed at 3% of lease rentals, parking income, and other operating income.



Transaction cost has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.



2.1.2 Phase - II

Property details

Property Details	Unit	Details
Total Area	Mn. Sq.ft.	1.43
JD Ratio	%	67%
Total Embassy Leasable Area	Mn. Sq.ft.	0.96
Land Owner Area	Mn. Sq.ft.	0.47
Area Leased	Mn. Sq.ft.	-
Leased	%	0.00%
Vacant Area	Mn. Sq.ft.	1.43
Vacancy	%	100.0%
Stabilized Vacancy	%	2.0%
Further leasing	Mn. Sq.ft.	0.94
Rent Free Period-Existing Lease Roll Overs	Months	1.0
Rent Free Period- New Lease	Months	4.0
4W Parking Slots	Number	1,200
4W Slots leased	Number	-

- Rent-free period:** In accordance with market benchmarks for Grade A property, rent-free period of one month has been considered for existing lease rollovers and four months for new leases.
- Stabilized Vacancy:** In accordance with market benchmarks for Grade A office spaces, the stabilized vacancy has been considered at 2.00% of leasable area.
- Further leasing of 0.94 Million Sq. ft. has been assumed after incorporating a 2% stabilised vacancy which is a standard for Grade A properties in Commercial Parks.

Construction related assumptions

Construction Related Assumptions	Unit	Office
End Date of Construction		30-September-2027
Total Construction Cost	INR Million	6,714
Construction Cost Incurred till Date	INR Million	0
Construction Cost to be Incurred	INR Million	6,714

Note: Reliance on Client inputs for the assumptions relating to construction

Revenue Assumptions

Revenue Assumptions	Unit	Details
Market Rent - Office	Per sq.ft./month	INR 65.00
Market Rent - Food Court	Per sq.ft./month	INR 80.00
Market 4 W Parking Rent	Per slot/month	INR 3,000
Other operating income	% of lease rental	1.00%
Market Rent growth rate FY 2024 : Oct-2023 onwards	% p.a.	2.50%
Market Rent growth rate- FY 2025 onwards	% p.a.	5.00%
Parking income growth rate	% p.a.	5.00%
Normal Market lease tenure	years	9 years
Normal market escalation at end of every	years	3 years of lease tenure
Market escalation at end of escalation period	%	15.0%
CAM Margin	Per sq.ft./month	INR 2.57

- Achievable Market rent – Office Area:**

Peripheral North had its highest net absorption in 2022 with ~ 1.92 Million Sq. ft. The quoted rental for the subject location is in the range of INR 50-65 per sq. ft. per month.

Achievable market rent for the subject property has been considered in line with market rental trends for warm shell property at INR 65 per sq. ft. per month.

- Achievable Market rent – Food Court:** It has been considered in line with the achievable market rent for completed area at INR 80 per sq. ft. per month.

It may be noted that the last three years the rentals have been stable owing to slowdown induced by the pandemic. The micro-market witnessed high vacancy levels due to limited physical infrastructure and accessibility to other parts of the city. However, the upcoming infrastructure initiatives will expand the leasing activities rapidly resulting in increased Market Rent. The growth rate in market rentals for the subject property has been assumed at 2.5% from Oct 2023 till Mar 2024 and 5% for future based on the expected growth rate and the vacancy in the micro-market.

- CAM Margin** of INR 2.57 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
Property Tax	Per sq.ft./month	INR 3.00
Insurance	Per sq.ft./month	INR 0.28
CAM cost escalation	% p.a.	5.0%
Cost escalation	% p.a.	5.0%
Transaction cost on sale	% of Terminal Value	1.0%
Other Operating Expenses	% of Lease Rentals	1.0%
Property Management Fees	% of Lease Rentals	3.00%

- Brokerage:** In accordance with the market benchmarks for Grade A property, we brokerage expenses amounting to two months for new leases and one month for existing lease rollovers.



- **Property tax and insurance cost** have been considered at the same level as operational office development.
- **Other operating expenses** and have been assumed at 1% 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.
- Based on information received from the client, **Property Management Fees** have been assumed at 3% of lease rentals, parking income, and other operating income.

Transaction cost has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.

Discount Rate & Capitalisation rate assumptions

- **Capitalization Rate: (Office Development)**

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

In order to arrive at the capitalization rate for the property, relevant parameters of some key investments in comparable properties of similar quality, use, tenant profile made by institutional real estate investors were perused.

Phase I of the Subject property is a built to suit property and is taken up by a single tenant for a period of 15 years (Initial term of 5 years and the option for lessee to renew for a subsequent period of additional 2 terms). Tenant is investing capital on tenant improvements keeping the longer lease term in view. Further the expiry of the current lease is beyond the generally assumed holding period of 10 years, and the in-place rents at the end of 10 years is significantly lower (approximately 14%) than the expected market rent at that point of time. Hence keeping all the above factors in consideration, 11th year rentals are marked to market and the cap rate of 8% is applied on NOI based on expected achievable market rent on 11th year. The terminal value is adjusted for difference in effective rent and achievable rent of the property calculated basis the balance contracted lease term.



Name Of Buyer	Name Of Seller	City	Name Of Building	Year Of Transaction	Area(Sq.Ft)	Deal Size(INR Mn)	Capitalization Rate
CPIIB	TRIL Properties	Chennai	TRIL Info Park	2022	46,00,000	63	7.50% - 7.75%
CPIIB	Prestige Estates	Bengaluru	Prestige RMZ Startech	2022	13,70,000	19	7.60% - 7.80%
DCCDL - GIC	Hines	Gurugram, NCR	One Horizon centre	2020	40,00,000	10101	7.9%-8%
Embassy Office Parks REIT *	Embassy Sponsor Group	Bengaluru	Embassy Tech Village	2020	73,00,000	98000	8.2% - 8.5%
Shapoorji Paloonji - Allianz	Tishman Speyer - GIC	Hyderabad	Waverock	2019	23,00,000	18000	~8.00%
Blackstone	Radius Developers	Mumbai	one BKC	2019	7,00,000	25000	8.20%

**Note- The acquisition comprised of completed area and under-construction area, of which 36% is pre-leased to JP Morgan, and two proposed Hilton hotels. The cap rate for completed asset was in the range of 8%-8.5%*

Source: Secondary Market Research



- **Discount Rate**

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

For the purpose of arriving at the Cost Equity, a peer group of listed comparable were studied and suitable adjustments made therein to reflect the specific opportunities and characteristics of the Subject property as part of a listed portfolio. The Cost of Debt is assumed on the basis of the marginal cost of debt that the SPV owning the Subject property has been able to avail and the general borrowing rates of similar assets. The Weights attributed to equity and debt were benchmarked against similar portfolios/properties in the market.

The derived discount rate of 12.00% for Phase I & 13.00% for Phase II was then compared against the publicly available example of Embassy Office Parks REIT to check its reasonableness and was found to be aligned with the expectations of international investors investing in similar assets.

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 comprising land and improvements thereon, as explained above, on 28th February 2023, is as follows

Components	Value in (₹Mn) [^]
Embassy Business Hub	3,533
<i>Phase I *</i>	<i>1,988</i>
<i>Phase II **</i>	<i>1,545</i>
<p><i>This summary must not be copied, distributed or considered in isolation from the full report.</i></p> <p><i>* Phase I collectively admeasures ~0.66 msf of leasable area. The Client's share is ~0.40 msf out of ~0.66 msf.</i></p> <p><i>**Phase II collectively admeasure ~1.43 msf of leasable area (including ~0.03 msf of food court area). The Client's share is ~0.96 msf including food court out of ~1.43 msf.</i></p> <p><i>^ The values mentioned above pertains only to the Client's share in the development.</i></p>	

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

Phase I

Particulars	Unit	1	2	3	4	5	6	7	8	9	10
		1-Mar-23 29-Feb-24	1-Mar-24 28-Feb-25	1-Mar-25 28-Feb-26	1-Mar-26 28-Feb-27	1-Mar-27 29-Feb-28	1-Mar-28 28-Feb-29	1-Mar-29 28-Feb-30	1-Mar-30 28-Feb-31	1-Mar-31 29-Feb-32	1-Mar-32 28-Feb-33
OPERATING INCOME											
Lease Rentals	INR Million	-	214.8	274.0	291.2	315.2	315.2	334.9	362.4	362.4	385.1
O&M income	INR Million	25.8	64.7	67.9	71.3	74.9	78.6	82.5	86.7	91.0	95.6
Land Owner O&M income	INR Million	16.4	41.2	43.2	45.4	47.6	50.0	52.5	55.2	57.9	60.8
Other operating income	INR Million	-	2.1	2.7	2.9	3.2	3.2	3.3	3.6	3.6	3.9
Total Income	INR Million	42.2	322.8	387.9	410.8	440.8	447.0	473.3	507.9	515.0	545.3
Total Income from occupancy	INR Million	42.2	322.8	387.9	410.8	440.8	447.0	473.3	507.9	515.0	545.3
OPERATING COSTS											
O&M cost	INR Million	(20.6)	(51.7)	(54.3)	(57.0)	(59.9)	(62.9)	(66.0)	(69.3)	(72.8)	(76.4)
Land Owner O&M cost	INR Million	(13.1)	(32.9)	(34.6)	(36.3)	(38.1)	(40.0)	(42.0)	(44.1)	(46.3)	(48.7)
Insurance Cost	INR Million	(0.6)	(1.4)	(1.5)	(1.5)	(1.6)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)
Property Taxes	INR Million	(6.0)	(15.1)	(15.8)	(16.6)	(17.5)	(18.3)	(19.3)	(20.2)	(21.2)	(22.3)
Total Operating Costs	INR Million	(40.3)	(101.1)	(106.2)	(111.5)	(117.1)	(122.9)	(129.1)	(135.5)	(142.3)	(149.4)
Net operating Income	INR Million	1.9	221.7	281.7	299.3	323.7	324.0	344.2	372.3	372.7	395.9
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	6,913.7
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(69.1)
Revenue Loss	INR Million	-	-	-	-	-	-	-	-	-	(645.2)
Total Net income	INR Million	1.9	221.7	281.7	299.3	323.7	324.0	344.2	372.3	372.7	6,595.2
Property Mangement Fees	INR Million	-	(6.5)	(8.3)	(8.8)	(9.5)	(9.5)	(10.1)	(11.0)	(11.0)	(11.7)
Other Operating Expenses (R&M, Legal, Professional, Bad Debts and Rates and Taxes)	INR Million	-	(2.1)	(2.7)	(2.9)	(3.2)	(3.2)	(3.3)	(3.6)	(3.6)	(3.9)
Brokerage Expenses	INR Million	-	-	-	-	-	-	-	-	-	-
Capital expenditure	INR Million	(1,602.5)	-	-	-	-	-	-	-	-	-
Net Cashflows	INR Million	(1,600.7)	213.0	270.7	287.5	311.0	311.3	330.7	357.7	358.1	6,579.7
Discount Rate		12.00%									
NPV INR Million		1,988									
INR/ sq.ft. of Saleable Area		4,963									

Embassy Business Hub Valuation Report



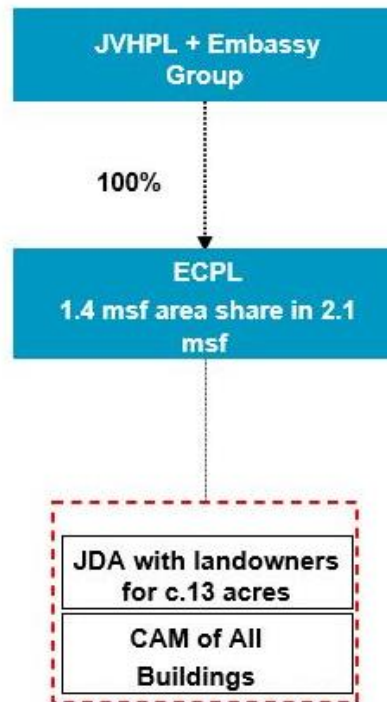
Phase II

Particulars	Unit	1	2	3	4	5	6	7	8	9	10
		28-Feb-23	1-Mar-23 29-Feb-24	1-Mar-24 28-Feb-25	1-Mar-25 28-Feb-26	1-Mar-26 28-Feb-27	1-Mar-27 29-Feb-28	1-Mar-28 28-Feb-29	1-Mar-29 28-Feb-30	1-Mar-30 28-Feb-31	1-Mar-31 29-Feb-32
OPERATING INCOME											
Lease Rentals	INR Million	-	-	-	15.2	456.2	810.7	893.6	968.2	1,003.9	1,027.6
Parking Income	INR Million	-	-	-	6.6	37.9	55.3	58.6	61.6	64.6	67.9
Food Court Income	INR Million	-	13.5	21.7	22.1	24.9	24.9	25.4	28.7	28.7	27.9
O&M income	INR Million	0.6	3.6	3.7	49.3	143.7	188.4	197.8	207.7	218.1	229.0
Land Owner O&M income	INR Million	0.3	1.8	1.8	24.3	70.8	92.8	97.4	102.3	107.4	112.8
Other operating income	INR Million	-	-	-	0.2	4.6	8.1	8.9	9.7	10.0	10.3
Total Income	INR Million	0.8	18.8	27.3	117.7	738.1	1,180.2	1,281.7	1,378.1	1,432.7	1,475.4
Total Income from occupancy	INR Million	0.8	18.8	27.3	117.7	738.1	1,180.2	1,281.7	1,378.1	1,432.7	1,475.4
OPERATING COSTS											
O&M cost	INR Million	(0.5)	(2.9)	(3.0)	(39.5)	(115.0)	(150.7)	(158.2)	(166.2)	(174.5)	(183.2)
Land Owner O&M cost	INR Million	(0.2)	(1.4)	(1.5)	(19.4)	(56.6)	(74.2)	(77.9)	(81.8)	(85.9)	(90.2)
Insurance Cost	INR Million	(0.0)	(0.1)	(0.1)	(1.1)	(3.1)	(4.1)	(4.3)	(4.5)	(4.7)	(5.0)
Property Taxes	INR Million	(0.2)	(1.2)	(1.3)	(12.0)	(34.0)	(44.4)	(46.7)	(49.0)	(51.4)	(54.0)
Total Operating Costs	INR Million	(0.9)	(5.6)	(5.9)	(72.0)	(208.7)	(273.5)	(287.1)	(301.5)	(316.6)	(332.4)
Net operating Income	INR Million	(0.0)	13.2	21.4	45.7	529.4	906.7	994.6	1,076.6	1,116.1	1,143.0
Terminal Value	INR Million	-	-	-	-	-	-	-	-	-	15,312.3
Transaction Cost	INR Million	-	-	-	-	-	-	-	-	-	(153.1)
Total Net income	INR Million	(0.0)	13.2	21.4	45.7	529.4	906.7	994.6	1,076.6	1,116.1	16,302.2
Property Mangement Fees	INR Million	-	(0.4)	(0.7)	(1.3)	(15.7)	(27.0)	(29.6)	(32.0)	(33.2)	(34.0)
Other Operating Expenses (R&M, Legal, Professional, Bad Debts and Rates and Taxes)	INR Million	-	-	-	(0.2)	(4.9)	(8.7)	(9.5)	(10.3)	(10.7)	(11.0)
Brokerage Expenses	INR Million	(1.8)	(1.8)	-	(61.2)	(66.3)	(17.9)	-	-	-	(1.4)
Capital expenditure	INR Million	-	(1,154.9)	(2,376.0)	(1,765.3)	(1,077.6)	(339.7)	-	-	-	-
Net Cashflows	INR Million	-	(1,156.8)	(2,365.0)	(1,744.6)	(1,094.7)	102.7	853.2	955.5	1,034.3	1,072.2
Discount Rate	13.00%										
NPV INR Million	1,545										
INR/ sq.ft. of Saleable Area	1,609										



Annexure 2: Ownership Structure

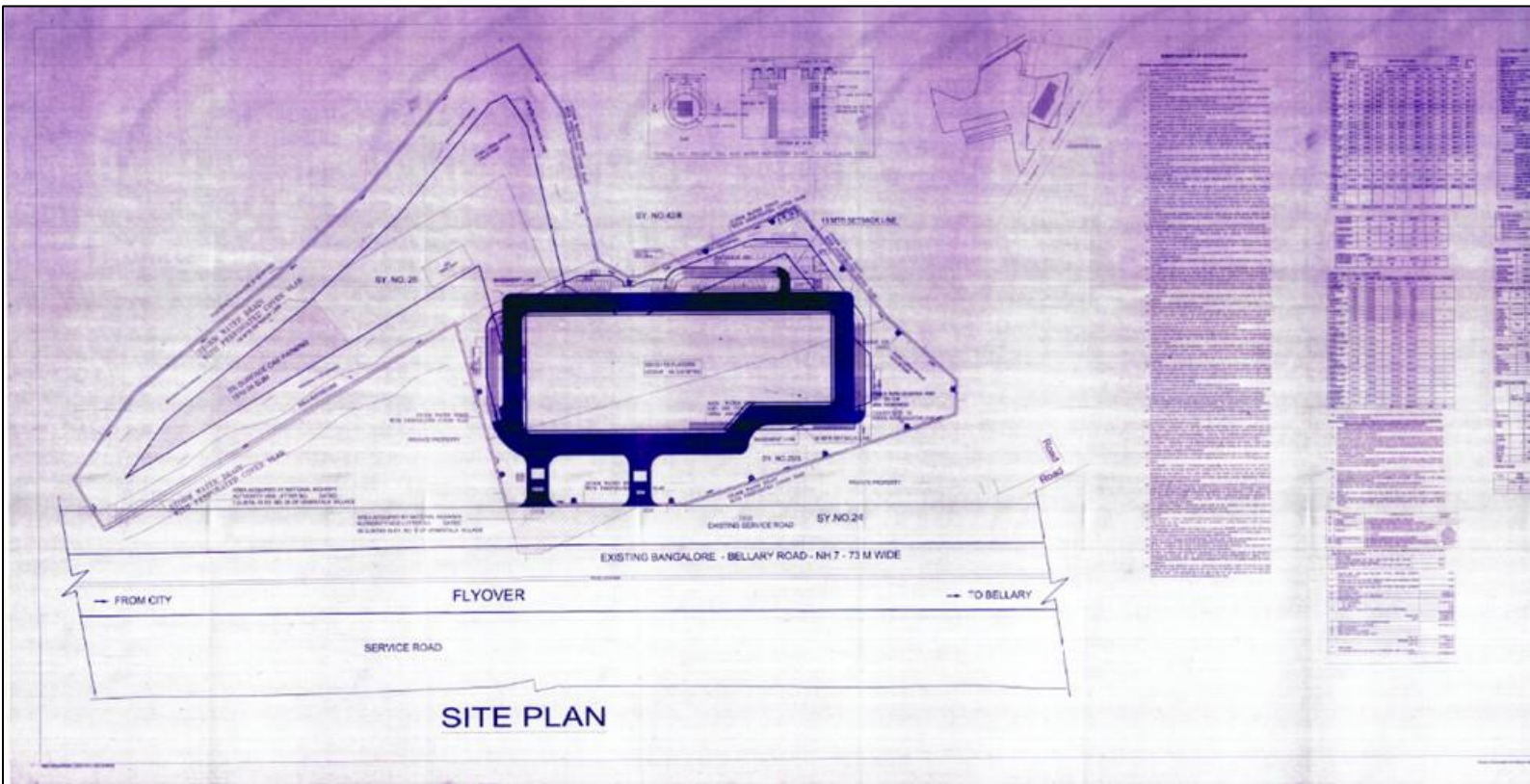
Ownership Structure of Embassy Business Hub



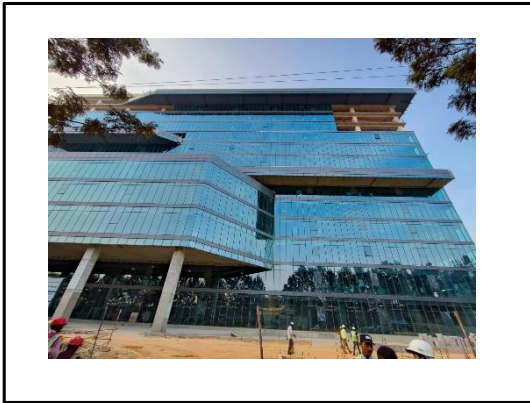
Note: JVHPL – JV Holding Private Limited

ECPL – Embassy Constructions Private Limited

Annexure 3: Property Master Plan



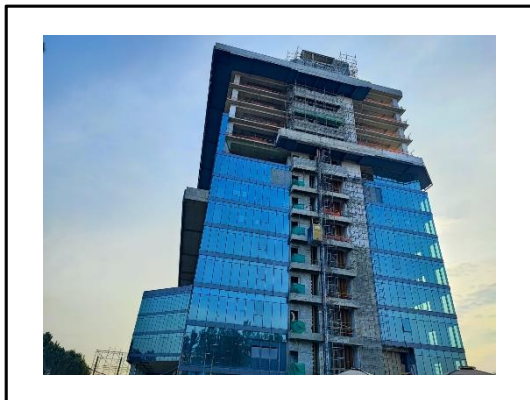
Annexure 4: Property Photographs



View of Subject Property



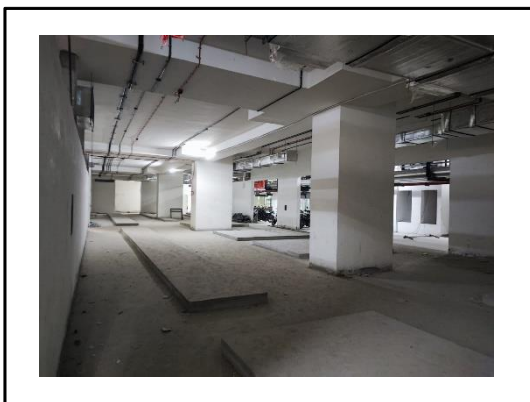
View of Subject Property



View of Subject Property



View of Subject Property



View of Subject Property



View of Access Road to Subject Property

Annexure 5: Statement of assets

SERVICE	AS PER ATL
Power Supply	0.8 KVA per Sq. ft.: Philips Tenant space
DG	5 X 1500 KVA (4 Working + 1 standy).
HSD Yard	75 KLD
STP	490 KLD
Transformer	3 X 2000 KVA
Fire Pumps	6 Pumps (2 Electrical + 1 Diesel + 2 Jockey + 1 Electrical (WC))
Chillers	635TR X 2 – Water cooled 320TR X 2- Air cooled 380TR X 1- Air cooled (ADD)
LEED Requirement	LEED Gold



Annexure 6: LEED Pre Certification

LEED ONLINE

Projects > Embassy Business Hub

Embassy Business Hub

1000154441 - LEED v4 BD+C: CS Precertified LEED Platinum / Design and Construction Preliminary Application

[Details](#)
[Credits](#)
[Uploads](#)
[Team](#)
[Timeline](#)
[Interpretations](#)
[Clarifications](#)
[Payments](#)
[Pre Certification](#)

Project details

NAME	Embassy Business Hub
REGISTRATION DATE	10 Jan 2022
PROJECT TYPE	Individual Project
RATING SYSTEM	LEED v4 BD+C: CS
UNIT TYPE	IP units
GROSS FLOOR AREA	666562 sq ft
ANTICIPATED START DATE	02 Dec 2019
ANTICIPATED END DATE	31 May 2023

If the Owner's Representative, Owner type or owner email fields need to be edited, please [Contact Us](#).

Terms and Conditions

[Certification Agreement](#)

Did the owner sign the Certification Agreement? If not, please submit the **Confirmation of Agent's Authority** form to confirm the agent's authority to accept the Certification Agreement for the Owner. If the completed form indicates the name originally entered for the Owner was incorrect and needs to

Annexure 7: List of sanctions and approvals

Property Inspection – Embassy Business Hub, NH44 (Bellary Road) Bengaluru

Approvals Received

- Building license issued by BBMP dated 27 October 2021 for 3B + G + 13 Floors.
- Height Clearance NOC from Airport Authority of India dated 16 November 2021 has been obtained.
- Height Clearance from BSNL NOC dated 7th March 2022 has been obtained.
- No Objection Certificate issued by Directorate of Ops (ATS); Air headquarters dated 4th December 2019 has been obtained.
- No Objection Certificate issued by Bangalore Electricity Supply Company Limited (BESCOM) dated 23rd March 2020 has been obtained.
- Development plan approval dated 7th April 2020 has been obtained.
- Commencement Certificate issued by BBMP dated 28th January 2022 has been obtained.
- Consent for Establishment from KSPCB dated 17th March 2020 has been obtained. Further, a Corrigendum issued by KSPCB dated 07 Dec 2021 for change in land area, built up area, water consumption & generation etc.
- No Objection Certificate issued by Karnataka State Fire & Safety Services has been obtained.
- No Objection Certificate issued by BWSSB for providing water supply and underground drainage facilities dated 18th February 2021 has been obtained.

Annexure 8: Demand notice and legal notices received by Embassy Construction Private Limited

Embassy Construction Private Limited (“ECPL”) has received a demand note dated June 16, 2020 from the Bangalore Water Supply and Sewerage Board for a payment of total charges amounting to ₹20.57 million in relation to issuance of a no-objection certificate for a proposed project commercial building on land situated at Venkatala Village, Yelahanka Hobli, Bangalore North Taluk, Bangalore and ECPL has filed a writ petition before the Karnataka High Court against State of Karnataka, Bangalore Water Supply and Sewerage Board and others challenging inter-alia, the demand note against ECPL seeking to, inter-alia, (i) quash the demand notice; and (ii) issue of no-objection certificate to ECPL. The High Court of Karnataka granted an ad- interim stay dated November 13, 2020 on the demand notice issued by BWSSB in relation to certain charges and instructed ECPL to pay the prescribed fee for issuance of no-objection certificate and directed BWSSB to issue NOC by accepting Administration Fees & Scrutiny Fees amounting to ₹3.2 million and the said demand notice will be subject to outcome of the Writ Petition. The matter is currently pending.

ECPL received a demand notice dated July 16, 2021 from BBMP towards ground rent and other charges for the purposes of issuing occupancy certificate at certain properties owned by ECPL. ECPL has filed a writ petition against State of Karnataka before the High Court of Karnataka, inter alia to set aside the demand notice dated July 16, 2021, issued by BBMP. On August 27 2021, the High Court of Karnataka has passed a stay against the demand notice dated July 16, 2021. However, demand with respect to (i) scrutiny fee and license fee shall be stayed only for those in excess of 50% of the demand (i) security deposit shall be paid at the rate of INR 25/- per square meter and (iii) stay on administrative charges. The High Court has indicated that the payments need to be made within four weeks, pursuant to which BBMP will issue the occupancy certificate. Basis the above, ECPL has made the necessary payments. The matter is currently pending.

A third party has filed an original suit before the Court of Senior Civil Judge, Bengaluru Rural District, Bengaluru against other individuals and CPL with respect property forming part of Embassy Hub for declaration that sale deed dated 28 September 2002 is not binding on the plaintiff. Further, the plaintiff has also prayed to restrain the defendant from alienating, encumbering the property. The next date of hearing is 8 April 2023.

A third party has filed an original suit before the Court of Senior Civil Judge, Bengaluru Rural District, Bengaluru against other individuals with respect property forming part of Embassy Hub for declaration and separate possession of 1/6th share in the property and declaration that sale deed dated 27 June 1990 and two sale deeds dated 12 March 2001 are not binding. The matter is pending for hearing and the next date of hearing is 15 April 2023.

A third party has initiated a suit for partition and separate possession before the Court of Principal Senior Civil Judge, Bengaluru Rural District against other family members and ECPL with respect to a portion of property forming part of Embassy Hub Business Park. The plaintiff has prayed for 1/4th share in the property and



alleges that the joint development agreement executed is illegal and unlawful. The matter is pending for hearing and the next date of hearing is 28 March 2023.

Source: Embassy Office Parks REIT



Annexure 9: Ready Reckoner Rate

ಕ್ರ.ಸಂ	ಹೋಬಳಿ/ ಗ್ರಾಮ/ ವಾರ್ಡ್/ ರಸ್ತೆ /ಪ್ರದೇಶದ ಹೆಸರು	Hobli/Village/Area	ಸ್ವೀಕೃತ/ಸಕ್ರಮ ಪ್ರಾಧಿಕಾರದ ವಸತಿ ನಿರ್ಮಾಣಗಳು	ಸಕ್ರಮ ಪ್ರಾಧಿಕಾರ ವಿಲ್ಲಾ/ರೋಡ್ ಘಾಟ್‌ಗಳು ನಿರ್ಮಾಣದ ವರ	ಸ್ವೀಕೃತ/ಸಕ್ರಮ ಪ್ರಾಧಿಕಾರದ ವಸತಿ ನಿರ್ಮಾಣದಲ್ಲಿ ನಿರ್ಮಾಣದ ಅಪಾರ್ಟ್‌ಮೆಂಟ್/ ವಿಲ್ಲಾಜಿಯಾ ಮತ್ತು ಪ್ಲಾಟ್‌ಗಳ ಪರಿಷ್ಕರಣೆ	ಕೃಷಿ ಉದ್ದೇಶ
			ಪ್ರತಿ ಚದರ ಮೀಟರ್‌ಗೆ ರೂ.ಗಳಲ್ಲಿ	ಪ್ರತಿ ಚದರ ಮೀಟರ್‌ಗೆ ರೂ.ಗಳಲ್ಲಿ	ಪ್ರತಿ ಚದರ ಮೀಟರ್ ಸೂಚಕ ರೂ.ಗಳಲ್ಲಿ	ಪ್ರತಿ ಎಕರೆಗೆ ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ
1	2	3	4	5	6	7
238	ಮಾರುತಿನಗರ 2ನೇ ಮುಖ್ಯರಸ್ತೆ	Maruthinagara 2nd main road	25000			
239	ಮಾರುತಿನಗರ 3ನೇ ಮುಖ್ಯರಸ್ತೆ	Maruthinagara 3rd main road	25000			
240	ಮಾರುತಿನಗರ ಗೃಹನಿರ್ಮಾಣ ಸಂಘ	Maruthinagara housing co-operative society	24000			
241	ಶಿವಶಂಕರ ಬಡಾವಣೆ	Shivashankari layout	14300			
242	ವೆಂಕಟಪ್ಪ ಬಡಾವಣೆ	Venkatappa layout	14300			
243	ಪಾಪಯ್ಯ ಬಡಾವಣೆ	Papayya layout	17100			
244	ಕೂರ್ಲಾಪ್ಪ ಬಡಾವಣೆ	Koorlappa layout	17100			
245	ಶಂಕರಪ್ಪ ಬಡಾವಣೆ	Shankarappa layout	14300			
246	ಭದ್ರಣ್ಣ ಬಡಾವಣೆ	Bhadranna layout	14300			
247	ಜಯಣ್ಣ ಬಡಾವಣೆ	Jayanna layout	14300			
248	ಮಾರುತಿ ನಗರ ಕತ್ತಾಳೆಪಾಳ್ಯ	Maruthinagara kathalepalya	14300			
249	ಅಲ್ಲಾಳಸಂದ್ರ ರೈಲ್ವೆ ಗೇಟ್‌ನಿಂದ ಪೊಲೀಸ್ ಸ್ಟೇಷನ್ ಸರ್ಕಲ್ ವರೆಗೆ	From Allalasaandra railway gate to police station circle	61600			
250	ತರಳಬಾಳು ಎನ್‌ಕ್ಲೇವ್	Taralabalu Enclave	77000			
251	ಪೊಲೀಸ್ ಸ್ಟೇಷನ್ ಸರ್ಕಲ್ ನಿಂದ ವೆಂಕಟಾಲದವರೆಗೆ ಎಡಬಲ	From Police station circle to Venkata Left and Right	77000			
252	ಜಕ್ಕೂರು ಏರೋಡ್ರಮ್ ನಿಂದ ಕೋಗಿಲು ಕ್ರಾಸ್ ವರೆಗೆ ಬೈಪಾಸ್ ರಸ್ತೆ ಎಡಬಲ ಹೊಂದಿಕೊಂಡಿರುವ ಪ್ರದೇಶ ಬೆಂಗಳೂರು ಬಿಲ್ಡಿಂಗ್ ರಸ್ತೆ (ಎನ್ ಹೆಚ್ 7) ಜಕ್ಕೂರು ಏರೋಡ್ರಮ್ ನಿಂದ ಕೋಗಿಲು ಕ್ರಾಸ್ ವರೆಗೆ (ಬೈಪಾಸ್ ರಸ್ತೆ) ಎಡ ಬಲ ಹೊಂದಿಕೊಂಡಿರುವ ಪ್ರದೇಶ	Bangalore Ballari National Highway From Jakkuru Aerodram to Kogilu cross Bypass Road left right adjacent area	77000			
253	ಯಲಹಂಕ ಪೊಲೀಸ್ ಸ್ಟೇಷನ್‌ನಿಂದ ಪುಟ್ಟೇನಹಳ್ಳಿ ಯವರೆಗೆ ಎಡ ಮತ್ತು ಬಲ ಭಾಗದ ಮುಖ್ಯರಸ್ತೆ	From Yelahanka police station to puttenahalli	61600			
254	ಸಂತೆ ಬೀದಿ	Santhe beedi	18100			
255	ಸಂತೆ ಸರ್ಕಲ್‌ನಿಂದ ಅಯ್ಯಪ್ಪ ದೇವಸ್ಥಾನದ ರಸ್ತೆ ಮತ್ತು ಮುಖ್ಯರಸ್ತೆಗಳು	From Santhe circle to Aiyappa temple road and main road	20350			

Source: Stamps and Registration Department, Government of Karnataka

Annexure 10: Caveats & Limitations

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

belief. No responsibility is assumed for technical or specialised information furnished by the third-party organizations, and this is on a bona-fide basis, believed to be reliable.

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