EMBASSY OFFICE PARKS REIT

(Registered in the Republic of India as an irrevocable trust under the Indian Trusts Act, 1882 and as a real estate investment trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, having registration number IN/REIT/17-18/0001)

Principal Place of Business: Royal Oaks, Embassy GolfLinks Business Park, Off Intermediate Ring Road, Bengaluru 560 071, Karnataka, India
Tel: +91 80 3322 0000/ 2222; **E-mail** compliance@embassyofficeparks.com; **Website**: www.embassyofficeparks.com

EMBASSY OFFICE PARKS MANAGEMENT SERVICES PRIVATE LIMITED (IN ITS CAPACITY AS MANAGER TO THE EMBASSY OFFICE PARKS REIT ("EMBASSY REIT")) HAS ISSUED THIS TRANSACTION DOCUMENT UNDER REGULATIONS 19(5) AND 19(6) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (REAL ESTATE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED IN RELATION TO:

I. THE ETV ACQUISITION FOR AN ENTERPRISE VALUE OF ₹97,824 MILLION

IN ADDITION, THIS TRANSACTION DOCUMENT SPECIFIES CERTAIN DETAILS ON:

II. RAISING OF FUNDS THROUGH AN INSTITUTIONAL PLACEMENT(S) OF UNITS OF EMBASSY REIT NOT EXCEEDING ₹80,000 MILLION TO INSTITUTIONAL INVESTORS IN ONE OR MORE PLACEMENTS;
III. A PREFERENTIAL ISSUE OF UP TO 65,579,400 UNITS OF EMBASSY REIT AT A PRICE OF ₹356.7 PER UNIT; AND
IV. APPROVAL OF BORROWING UP TO 35% OF THE GROSS ASSET VALUE OF THE EMBASSY REIT AND MATTERS RELATED THERETO

If you have sold or transferred all your Units, you should immediately forward this Transaction Document, together with the notice of the Extraordinary Meeting, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Transaction Document and any of its contents do not provide for and should not be construed as any assurance or guarantee of returns or distributions to investors.

THIS TRANSACTION DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS, PLACEMENT DOCUMENT, OFFERING CIRCULAR OR OFFERING MEMORANDUM UNDER THE REIT REGULATIONS (AS DEFINED HEREIN) OR ANY OTHER APPLICABLE LAW IN INDIA OR IN ANY OTHER JURISDICTION. NO OFFER OR INVITATION OR RECOMMENDATION OR SOLICITATION OR INDUCEMENT IS BEING MADE THROUGH THIS TRANSACTION DOCUMENT TO THE UNITHOLDERS OR ANY OTHER PERSON WITHIN OR OUTSIDE INDIA TO BUY OR SELL ANY UNITS OR SECURITIES INCLUDING ANY UNITS OR SECURITIES OF: (A) THE EMBASSY REIT; (B) ITS HOLDCOS, SPVS OR THE INVESTMENT ENTITY (EACH AS DEFINED HEREIN); (C) ANY SELLERS IN RELATION TO THE ETV ACQUISITION; (D) THE SPONSORS (AS DEFINED HEREIN) OR ANY OF THE SUBSIDIARIES OF THE SPONSORS OR ANY MEMBER OF THE SPONSOR GROUP; (D) THE MANAGER; OR (E) THE TRUSTEE (AS DEFINED HEREIN). THERE IS CURRENTLY A SINGLE CLASS OF UNITS AND THE UNITS PROPOSED TO BE ISSUED IN THE INSTITUTIONAL PLACEMENT AND THE PREFERENTIAL ISSUE SHALL RANK *PARI PASSU* WITH THE EXISTING LISTED UNITS.

NEITHER THIS TRANSACTION DOCUMENT NOR THE UNITS HAVE BEEN RECOMMENDED OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (THE "SEBI") OR ANY STOCK EXCHANGE IN INDIA NOR DOES THE SEBI OR ANY STOCK EXCHANGE IN INDIA GUARANTEE THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS TRANSACTION DOCUMENT.

THESE MATERIALS ARE NOT AN OFFER OF UNITS FOR SALE INTO THE UNITED STATES OR ANY OTHER JURISDICTION. ANY UNITS REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION. NO PUBLIC OFFERING OF UNITS IS BEING MADE IN INDIA, THE UNITED STATES OR ANY OTHER JURISDICTION.

This Transaction Document contains certain "forward looking statements." All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward-looking statements are made based on the Manager's current expectations or beliefs as well as assumptions made by, and information currently available to, the Manager. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There may be additional material risks that are currently not considered to be material or of which the Embassy REIT and any of its representatives are unaware. Against the background of these uncertainties, readers should not rely on these forward-looking statements. The Embassy REIT, the Manager, the Trustee or any of their respective representatives do not assume any responsibility to update forward-looking statements or to adapt them to future events or developments or to update this Transaction Document after the date hereof. Additionally, past performance of the Embassy REIT is no guarantee of future results.

This Transaction Document is dated November 17, 2020.

PROGRAMME FOR EXTRAORDINARY MEETING (EM) OF UNITHOLDERS

Cut-Off Date	**December 4, 2020**
Date and time of EM	**December 10, 2020**
Venue of EM	**The EM will be held through video-conferencing / other audio visual means. The venue of the EM will be deemed to be the Principal Place of Business of the Embassy REIT.**

Since the EM will be conducted through video-conferencing / other audio visual means, the facility for appointment of proxy by the Unitholders will not be available.

Summary of the ETV Acquisition

This summary is qualified in its entirety by, and should be read together with, the information included in other sections of this Transaction Document. See, in particular, the section titled "Basis of Presentation of Pro Forma and Certain Other Information" below.

Particulars	Details
Acquisition Overview	Approximately 84.05 acres in Embassy TechVillage ("**ETV**"), an office park located in Bengaluru, India comprising: (i) approximately 76.05 acres of commercial development by Vikas Telecom Private Limited ("**VTPL**") consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys, along with the associated business of common area maintenance services (collectively, the "**ETV Business**"); and (ii) approximately 8.0 acres consisting of approximately 1.1 msf of under-construction area being developed commercially by Sarla Infrastructure Private Limited ("**SIPL**"), which has been fully pre-leased, along with the associated business of common area maintenance services (collectively, the "**SIPL Business**") The proposed acquisition of the ETV Business and the SIPL Business together comprises the ETV acquisition (the "**ETV Acquisition**").
Selling Parties	The Embassy Sponsor, certain affiliates of the Embassy Sponsor, certain Blackstone entities and the Third-party Shareholders
Total Leasable Area	9.2 msf
Completed Area	6.1 msf
Under Construction Area	➢ 3.1[1] msf (c. 36% already pre-leased) ➢ 518 hotel keys (proposed)
Occupancy/ Committed Occupancy	97.3% / 98.4%
No. of Occupiers	42
WALE	9.7 years
Avg. in-place rentals	₹ 68.1 psf
Market Rentals	₹ 91.0 psf
MTM Potential	33.7% mark-to-market rental opportunity
Independent Valuation	iVAS Partners[2] ▶ ₹ 102,292 million[3] Mr. Shubhendu Saha[4] ▶ ₹ 102,817 million[3]
Agreed Enterprise Value[5]	₹97,824 million[6], a discount of 4.6% to the average of the two independent valuations (₹102,555 million)

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[1] *Comprises 2.95 msf of Commercial Office space and 0.09 msf of Retail Space.*
[2] *Independent valuation undertaken by iVAS Partners, represented by Mr Manish Gupta (independent valuer of the Embassy REIT) with value assessment services provided by CBRE South Asia Private Limited.*
[3] *Comprises the ETV Business and the SIPL Business and rental support as described in note 5 below.*
[4] *Independent valuation undertaken by Mr. Shubhendu Saha. Cushman & Wakefield India Private Limited has reviewed the assumptions and the methodologies used for the valuation in accordance with applicable standards.*
[5] *Including rental support provided by Embassy Sponsor to SIPL aggregating to ₹ 1,441 mn until the quarter ending March 31, 2022 (after which lease rentals are expected to commence from the SIPL property). See "Key terms of the ETV Acquisition Agreements" for further details.*
[6] *The enterprise value payable shall be subject to adjustments including deductions for net debt, working capital and other adjustments as agreed among the parties in the contractual documents.*

Key Benefits of the ETV Acquisition

The following section is a summary of the key benefits of the ETV Acquisition. For additional information, please refer to the detailed descriptions and additional financial and other metrics that appear in the main body of this Transaction Document.

- ***Acquisition of best-in-class infrastructure-like office park with marquee multinational occupiers***
  - ETV is a 9.2 msf integrated office park located on ORR, Bengaluru, India's best-performing office market
  - Leased to 40+ blue chip marquee occupiers[7] including JP Morgan, Wells Fargo, Sony and Cisco with 88% of Gross Rentals from multinational occupiers and 48% from Fortune 500 occupiers
  - 67%[8] of ETV's occupiers belong to the technology, financial services and e-commerce sectors

- ***Strengthens Embassy REIT's presence in the Bengaluru office market***
  - Bengaluru has witnessed leading absorption among select global cities and is India's strongest office market with c. 7.0% current vacancy and 7.9% rental CAGR over the period CY 2014 – Q3 CY 2020
  - ORR is Bengaluru's largest sub-market with c. 45% of the city's net absorption between CY 2014 – Q3 CY 2020 and only c. 2.0% vacancy as of September 30, 2020
  - ETV has outperformed the Bengaluru market with a 9.2% rent CAGR between CY 2014 – Q3 CY 2020 and demonstrated resilient performance during COVID-19, with rental collections greater than 99.2% between April – September 2020

- ***Complementary acquisition that enables Embassy REIT's scale and strengthens its position as one of the largest office REITs (by area) in Asia Pacific***
  - Adds 9.2 msf of total leasable area to existing 33.3 msf to bring the Total Leasable Area to c. 42.4 msf, reinforces Embassy REIT's position as one of the largest office REITs (by area) in Asia Pacific
  - Complementary to Embassy REIT's existing portfolio of large-scale and campus-style developments (such as Embassy Manyata)
  - Acquisition positions Embassy REIT well for a post-pandemic resurgence in the demand for safe, people friendly, high quality office space in India

- ***Stable, long term cash flows and strong embedded growth***
  - 98.4% Committed Occupancy with 9.7 years WALE
  - Strong growth potential through contractual escalations (generally 15% every 3 years) and 3.1 msf on-campus development (of which c. 36% is already pre-leased)
  - Significant mark-to-market upside on lease expiry – market rents are c. 34% above in-place rents

- ***NOI, DPU and NAV accretive acquisition of a high quality, difficult-to-replicate asset[9]***
  - Accretive acquisition basis - purchase price (enterprise value) is at 4.6% discount to the average of two independent valuations
  - Accretion of 28% (pro forma) to NOI for the 6 – month period ending September 30, 2020
  - Accretion of 4.2% (pro forma) to DPU for the 6 – month period ending September 30, 2020
  - Increase of 3.0% in NAV per unit (pro forma),from ₹375.0 to ₹386.4 as of September 30, 2020
  - Post issue, the pro forma Gross Debt is expected to be c. 22% of GAV

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[7] *The legal names of occupiers referred to in this document may differ from the names used here.*
[8] *By gross rentals for the month of September 2020.*
[9] *For details, please see "Basis of Presentation of Pro Forma and Certain Other Information" and "Section C: Post ETV Acquisition Pro Forma Metrics" below.*

- Proposed equity issuance expected to significantly increase Embassy REIT's public float from 38.4% to 42.6%[10]

- ***Governance framework in line with leading global standards***
  - Valuations for the ETV Acquisition obtained from two independent valuers, in accordance with the requirements for acquisitions from related parties under the REIT Regulations
  - Proposed ETV Acquisition approved by independent directors of the Manager and recommended to public Unitholders
  - Fairness opinion on the value of the proposed ETV Acquisition obtained by the independent directors of the Manager to the Embassy REIT
  - No acquisition fee payable to the Manager for the proposed ETV Acquisition

[10] *Assuming an Institutional Placement aggregating to ₹ 37,000 mn and a preferential allotment to the Third-party Shareholders aggregating to ₹ 23,072 mn. Market capitalization computed as Units outstanding as of September 30, 2020 X Volume Weighted Average Price (VWAP): ₹ 349.32. VWAP computed basis BSE (exchange with highest trading volume for last 26 weeks) data for last 30 trading days up to November 11, 2020 (the date of intimation to Stock Exchanges for the board meeting scheduled for November 17, 2020). The public float of the units of the Embassy REIT may fluctuate due to multiple reasons and the price of Units indicated above may not be indicative of any future trading price. Pre-Acquisition public float is based on unitholding pattern as of September 30, 2020. Post-acquisition public float excludes the preferential allotment units issued to the Third-party Shareholders.*

Embassy TechVillage (Master Layout)

6.1 msf	3.1 msf [1]	518 Keys
Completed Office	U/C Office	Proposed Hilton Hotel

ETV Asset Pictures

Notes: (1) Comprises 2.95 msf of Commercial Office space and 0.09 msf of Retail Space

Overview of the Proposed Resolutions

The Manager is seeking approval from the Unitholders of Embassy REIT for the resolutions set out below:

Approval under Regulation 22(5) of the REIT Regulations

The following resolutions are required to be passed by way of simple majority (i.e., where the votes cast in favor of the resolution are required to be more than the votes cast against the resolution, or more than 50% of Unitholders entitled and voting are required to vote in favor of the resolution):

- **Resolution 1: To consider and approve the ETV Acquisition for an enterprise value of ₹ 97,824 million**
- **Resolution 2: To consider and grant authority to borrow up to 35% of the Gross Asset Value (GAV) of the Embassy REIT and matters related thereto**

The Embassy Sponsor, the Blackstone Sponsor Group and their respective associates will not vote on Resolution 1.

The ETV Acquisition is subject to certain closing conditions, including consents, unitholder approval and regulatory approvals (as applicable). The structure of the acquisition is also subject to the Proposed Restructuring and certain other arrangements. For details, please see "*Section II – Information Regarding the Proposed Acquisition*" below.

In order to meet the additional funding requirements of the Embassy REIT for various purposes, including the ETV Acquisition, as well as to provide the flexibility to have an optimal capital structure, the Embassy REIT seeks a resolution that enables it, its Asset SPVs and the Investment Entity to borrow additional amounts through any modes permitted under applicable law, whether secured or unsecured, on such terms and conditions as the Manager may deem fit in the best interest of the Embassy REIT, such that the aggregate consolidated borrowing and deferred payments of the Embassy REIT, its Asset SPVs and the Investment Entity, net of cash and cash equivalents, do not exceed 35% of the GAV of the Embassy REIT from time to time.

Approval under Regulation 22(6) of the REIT Regulations

The following resolutions are required to be passed by way of special majority (i.e., where the votes cast in favor of the resolution are required to be not less than one-and-a-half times the votes cast against the resolution, or at least 60% of the Unitholders entitled and voting are required to vote in favor of the resolution):

- **Resolution 3: To consider and approve raising of funds through an institutional placement(s) of Units not exceeding ₹80,000 million to Institutional Investors in one or more placements**
- **Resolution 4: To consider and approve a preferential issue of up to 65,579,400 Units of the Embassy REIT at a price of ₹356.7 per Unit**

Summary of the Proposed Funding

The Manager intends to finance the equity value of the ETV Acquisition through a combination of (i) amounts raised through an institutional placement of Units in one or more placements (together, the "**Institutional Placement**") and (ii) Units issued to the third –party shareholders of VTPL in exchange for the transfer of their shareholding to the Embassy REIT (the "**Preferential Issue**", and together with the Institutional Placement, the "**Unit Capital Fund Raising**") in accordance with the terms of the relevant acquisition agreements.

The Manager will determine the timing, split and structure of the Unit Capital Fund Raising and the debt financing at its discretion, subject to the receipt of Unitholder approval, regulatory approvals, market conditions, certain closing conditions and other relevant factors. For further details, please see "*Structure of the Unit Capital Fund Raising*" below.

In addition, the Embassy REIT or any of the Asset SPVs or the Investment Entity may consider debt financing through such modes as permitted under applicable law, in one or more tranches, which would be utilized for redeeming and/or refinancing certain outstanding indebtedness of the ETV Target Entities and for general purposes. The size, structure and timing of any such debt issuance will be determined by the Manager at its discretion, subject to market conditions and other factors.

*Indicative Sources and Uses of Funds**

Sources of Funds	*(₹ million)*	*Uses of Funds*	*(₹ million)*
Equity Issuance	**60,072**	**Cash Consideration to Embassy and Blackstone entities**	**39,830**
Institutional Placement (1)	37,000	*Embassy group*	28,870
Preferential Issue (2)	23,072	*BREP Entities*	10,960
Debt Issuance	**36,411**	**Units Issued to Sellers**	**23,072**
		Third-party Shareholders	23,072
		Debt Refinancing and Transaction Expenses	33,581
Total Sources of Funds	**96,483**	**Total Uses of Funds**	**96,483**

**Net Acquisition Cost =Purchase Price (Enterprise Value) – Security Deposits + Transaction Expenses + Other Adjustments.*
The information presented in this table are estimates. Actual amounts may vary, depending upon actual amounts raised, amounts needed for the acquisition components, adjustments and the acquisition structure. The information in this table is prepared on the assumption that the ETV Acquisition is completed in a single tranche. Please see "The ETV Acquisition" for further details.

Notes:

(1) *Assuming issuance of 103,728,623 Units at ₹ 356.7 per Unit[11], aggregating to ₹37.0bn*
(2) *Assuming issuance of 64,682,443 Units at ₹ 356.7 per Unit[12], aggregating to ₹23.1bn*

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[11] *Assuming the same price as the preferential issuance floor price of ₹ 356.7 per Unit as detailed below.*
[12] *Since the Units of the Embassy REIT are 'Frequently Traded' in terms of the SEBI Institutional Placement and Preferential Issue Guidelines dated November 27, 2019, as amended, the preferential issuance floor price of ₹ 356.7 per Unit has been computed as higher of (i) the average of the weekly high and low of the volume weighted average price of the units quoted on the BSE during the twenty six weeks preceding the relevant date; or (ii) the average of the weekly high and low of the volume weighted average prices of the units quoted on the BSE during the two weeks preceding the relevant date. In accordance with the SEBI circular, BSE was the stock exchange with the higher trading volume in units of Embassy REIT, during the twenty-six weeks preceding the 'Relevant Date'.*

Recommendations for Unitholder Approval

ETV Acquisition

Based on the key benefits of the acquisition as set out in "*Section II: Information Regarding the Proposed Acquisition*" below and the information set out in this Transaction Document, the Manager believes that the ETV Acquisition is consistent with the strategy and investment objectives of the Embassy REIT, and is in the best interests of the Unitholders.

Accordingly, the Manager recommends that the Unitholders vote at the EM in favour of the resolution to approve the ETV Acquisition.

Borrowings

In order to meet the additional fund requirements of the Embassy REIT for various purposes, including in relation to the ETV Acquisition, as well as to provide the flexibility to have an optimal capital structure, the Manager believes that the authorization to avail additional borrowings which are within the limits under the REIT Regulations is consistent with the strategy and investment objectives of the Embassy REIT, and is in the best interest of the Unitholders.

Accordingly, the Manager recommends that the Unitholders vote at the EM in favour of this resolution.

Institutional Placement

Based on the proposed funding set out in "*Section II: Information Regarding the ETV Acquisition*" below and the information set out in this Transaction Document, the Manager believes that the proposed Institutional Placement would be beneficial to, and is in the best interests of the Unitholders.

Accordingly, the Manager recommends that the Unitholders vote at the EM in favour of the resolution to approve the Institutional Placement.

Preferential Issue

Based on the proposed funding set out in "*Section II: Information Regarding the Proposed Acquisition*" below and the information set out in this Transaction Document, the Manager believes that the proposed Preferential Issue would be beneficial to, and is in the best interests of the Unitholders.

Accordingly, the Manager recommends that the Unitholders vote at the EM in favour of the resolution to approve the Preferential Issue.

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BASIS OF PRESENTATION OF PRO FORMA AND CERTAIN OTHER INFORMATION

Pro Forma Metrics

In this Transaction Document, Embassy REIT presents certain unaudited, pro forma operational and financial measures (the "**Pro Forma Metrics**") as of and for the six months ended September 30, 2020, as adjusted to give effect to all of the following events, as if they had occurred on April 1, 2020 (collectively, the "**Acquisition Related Events**"):

- the ETV Acquisition is completed in a single tranche. For further details on transaction structuring, refer to *"The Proposed Transaction"*
- the Institutional Placement, at an issue price of ₹356.7 per unit, aggregating ₹37,000 million;
- the Preferential Issue of 64,682,000 units, at an issue price of ₹356.7 per unit, aggregating ₹23,072 million;
- an issuance/incurrence of coupon bearing Indian Rupee denominated debt aggregating up to ₹36,411 million at 7.25% per annum with quarterly payments with no amortization (the "**Debt Raise**"), which will be used towards redeeming and/or refinancing the existing indebtedness of the ETV Target Entities and for general purposes;
- expenses relating to the above transactions; and
- settlement of all related party balances in cash and the utilization of such cash (along with existing cash and cash equivalents) for the repayment of debt at the ETV Target Entities.

The Pro Forma Metrics will vary in case any of the above assumptions change, including any changes in the consideration for the acquisition on account of potential closing adjustments. The metrics of the entities/businesses being acquired have been computed on the same basis as the corresponding metrics of Embassy REIT as of/for the six months ended September 30, 2020.

These Pro Forma Metrics comprise the following:

- Pro Forma Revenue from Operations
- Pro Forma NOI
- Pro Forma NOI Yield
- Pro Forma NDCF
- Pro Forma DPU
- Pro Forma DPU Yield
- Pro Forma NAV per unit

The Pro Forma Metrics are presented for illustrative purposes only and do not purport to represent what the actual results of operations would have been if the events for which the adjustments were made had occurred on the dates assumed, nor does it purport to project Embassy REIT's results of operations for any future period or its financial condition at any future date. Embassy REIT's future operating results and the actual outcome of the proposed acquisition may differ materially from the pro forma amounts set out in this Transaction Document due to various factors, including changes in operating results and the impact of COVID-19. Further, the Pro Forma Metrics have not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934, as amended, U.S. GAAP, IFRS or Ind-AS. The resulting Pro Forma Metrics have not been audited or reviewed in accordance with U.S. GAAP, IFRS or Ind-AS.

The pro forma address hypothetical situations and do not represent Embassy REIT's actual consolidated financial condition, distributions or results of operations, and is not intended to be indicative of our future financial condition, distributions and results of operations. The adjustments set forth in the pro forma are based upon available information and assumptions that the Manager believes to be reasonable. If the assumptions underlying the preparation of such information do not occur, our actual results could be materially different from those indicated in the information. The rules and regulations related to the preparation of pro forma financial information in other jurisdictions may vary significantly from the basis of preparation for the pro forma financial information. Accordingly, the pro forma financial information should not be relied upon as if it has been prepared in accordance with those standards and practices.

Further, each Acquisition Related Event described above is subject to the completion of various conditions and there is no assurance that the various Acquisition Related Events will all be successfully completed. In case any one or more of the Acquisition Related Events are not completed, the unaudited pro forma presented herein would be entirely incorrect.

Readers should note that a presentation of the Acquisition Related Events, on a pro forma basis, should not be construed to mean that the ETV Acquisition or the Acquisition Related Events will definitely occur, including as described in this Transaction Document.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Transaction Document based on and as confirmed by CBRE South Asia Private Limited (“**CBRE Research**”), which has been engaged by the Manager, or by Cushman & Wakefield ("**C&W Research**").

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Manager believes that the industry and market data used in this Transaction Document is generally reliable, it has not been independently verified by the Manager or any of its associates, affiliates or advisors. The data used in these sources may have been re-classified for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors.

The extent to which the market and industry data used in this Transaction Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of the Embassy REIT is conducted, and methodologies and assumptions may vary widely among different industry sources.

Certain Other Information

Certain data contained in this Transaction Document, including financial information, has been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column, row or table may not conform exactly to the total figure given for that column, row or table, or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Certain information in this Transaction Document (in particular, the Pro Forma Metrics) have been presented to show the impact of the ETV Acquisition, for presentation purposes only.

Certain amounts and figures have been presented in US$ in this Transaction Document, based on an exchange rate of U.S.$1=₹ 74.0, as of September 30, 2020.

All operating or financial metrics presented in this Transaction Document are as of/for the six months ended September 30, 2020, unless otherwise indicated.

All operating data included in this Transaction Document includes 100% of the data relating to GLSP. The Embassy REIT indirectly owns a 50.0% economic interest in GLSP which holds Embassy GolfLinks and it is accounted for as an investee under the equity method of accounting. Accordingly, its revenues are not consolidated into Embassy REIT's revenue from operations. Further, the GAV of Embassy REIT reflects only its 50% economic interest in GLSP.

All figures corresponding to year denoted with "FY" are, as of or for the one-year period ending (as may be relevant) 31st March of the respective year. Similarly, all figures corresponding to year denoted with "CY" are, as of or for the one-year period ending (as may be relevant) 31st December of the respective year. Unless specifically mentioned otherwise, any reference to year refers to CY and financial year to FY.

SECTION I:
OVERVIEW OF THE EMBASSY REIT AND THE ETV ACQUISITION

Unless otherwise specified, in this Transaction Document, (i) references to area or square footage of the Portfolio (as defined herein) as a whole or of any individual office property and of ETV is to Total Leasable Area; (ii) all operational data of the Portfolio and of ETV is presented as of September 30, 2020 and (iii) references to tenure of leases with occupiers and WALE for the Embassy REIT's assets or ETV assumes renewals by occupiers after the initial commitment period (which is typically three to five years). Industry, macro-economic and market data and all industry related statements in this Transaction Document based on and as confirmed by CBRE Research (engaged by the Manager), or C&W Research.

A. Information about the Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust ("**REIT**"). Embassy REIT owns a high-quality office portfolio in India that serves as essential corporate infrastructure to multinational occupiers, and has significant embedded growth prospects. With 33.3 msf of Total Leasable Area, Embassy REIT is one of the largest REITs by area, among comparable Asia Pacific Office REITs, as of September 30, 2020.

Embassy REIT's Portfolio comprises seven best-in-class office parks and four prime city-centre office buildings in the best performing sub-markets of India's top office markets of Bengaluru, Mumbai, Pune and Noida. The Portfolio comprises 26.2 msf of Completed Area and 7.1 msf of on-campus development pipeline. The Portfolio also includes two completed and two under-construction hotels totalling 1,096 keys and a 100 MW solar park that provides green power to Embassy REIT's office parks (and one of its hotels) located in Bengaluru, amongst others. The Portfolio also includes ancillary amenities such as food courts, employee transportation and childcare facilities. The Completed Area, comprising 78 office buildings with over 160 occupiers, is highly stabilized with a 91.7% Occupancy and a WALE of 6.5 years.

Embassy REIT adopts strong corporate governance practices, with 50% of the board of the Manager comprising independent directors. Additionally, the REIT maintains protocols that are aimed at protecting the interests of unitholders, including maintaining low levels of leverage, prudent expense management and stringent oversight of related party transactions.

Since Embassy REIT listed on April 1, 2019, the REIT has provided a total return of 25.2%[13], including distributions of ₹35.7 per unit as of November 9, 2020.

In FY2020, the first full year of operations since listing, Embassy REIT:

- Achieved highest absorption compared to the absorption for the previous five years for its Portfolio, with c.2.4 msf new leases signed with 25+ occupiers, 53% re-leasing spreads on c.1.1 msf of re-leases and 19% renewal spreads on c.0.6 msf of renewals during that year
- Achieved c.12 – 15% contractual escalations on c.5.5 msf leased area from 50+ occupiers
- Delivered c.1.4 msf of new development, ahead of schedule, of which c.60% is already committed
- Launched a 230 key luxury hotel at Embassy One, which also comprises 0.3 msf commercial office building
- Generated revenue from operations amounting to ₹21,449 million and NOI amounting to ₹18,170 million for FY2020 registering a growth of 14% and 15% respectively compared with FY2019
- Distributed ₹18,821 million (DPU: ₹ 24.39) in FY2020

Key highlights for the six months ended September 30, 2020 (April 1, to September 30, 2020) include:

- Achieved rental collections of 99.6% for the six months ended September 30, 2020
- Achieved rental escalations of 12% across 40 leases on 3.7 msf
- Achieved re-leasing spread of 17% on re-leasing of 0.2 msf
- Inclusion in the FTSE EPRA NAREIT Global Emerging Index from September 21, 2020

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[13] *Total Returns are computed based on closing price as of November 9, 2020 from Bloomberg. For Embassy REIT, computed as percentage of unit price appreciation and distribution yield up to November 9, 2020 upon listing price of ₹300/ unit.*

- Introduced industry leading health and safety protocols resulting in receiving the British Safety Council's Certification for Global Benchmark in COVID-19
- Generated revenue from operations amounting to ₹10,564 million and NOI amounting to ₹9,383 million for 1H FY2021, with NOI margin of 89%
- Distributed ₹8,743 million (DPU: ₹ 11.33) in 1H FY2021

Embassy REIT aims to maximize total return for Unitholders by targeting growth in distributions and NAV per Unit. The operating and investment strategies that the Embassy REIT intends to execute to achieve this goal include:

- Capitalizing on the Portfolio's embedded organic growth and new development opportunities by:
  - leasing Grade A office space to multinational occupiers who we believe continue to significantly rely on India's skilled talent pool to deliver the technology-based requirements of their global businesses
  - delivering 'on-campus' development
- Maintaining a disciplined acquisition strategy, whether through Embassy Sponsor's right of first offer (ROFO) assets or other third-party acquisitions, to drive growth and increase geographical diversification, while continuing to maintain optimal leverage
- Driving value through proactive asset management, including:
  - Pursuing leasing strategies that prioritize occupier retention, vacancy lease-ups, and which capitalize on MTM rental reversion opportunities
  - Delivering best-in-class integrated common area maintenance services

The Manager has an experienced management team. The team has expertise in asset management, leasing, development, acquisitions and financing, and possesses established relationships with occupiers, lenders and capital providers. Some of the key personnel of the Manager include:

Key Management Personnel

Name of Personnel and Designation	Brief Profile
Michael Holland *(CEO)*	➢ 30+ years of experience in commercial real estate across Asia and Europe ➢ Former Country Head and Managing Director of JLL India
Vikaash Khdloya *(Deputy CEO/ COO)*	➢ 16+ years of experience ➢ Former Managing Director, Blackstone Real Estate ➢ Former Vice President at Piramal Fund Management (Indiareit)
Sachin Shah *(CIO)*	➢ 19+ years of experience ➢ Former VP of Acquisitions at Starwood Capital Group
Aravind Maiya *(CFO)*	➢ 19+ years of experience, specializing in commercial real estate ➢ Former Partner in BSR
Ritwik Bhattacharjee *(Head of Capital Markets and Investor Relations)*	➢ 17+ years of experience ➢ Former Executive Director at Nomura Singapore ➢ Former Director at UBS AG Singapore

Recent Developments

Inclusion in Global REIT indices

Embassy REIT has been included in the S&P Global Property Index and S&P Global REIT Index effective from November 2, 2020. The inclusion of Embassy REIT follows an amendment by S&P Dow Jones Indices to the S&P Property Indices composition and constituent methodology, as part of its September 2020 re-balance review.

COVID–19: Key Updates

On March 11, 2020, the World Health Organization declared the spread of the coronavirus known as COVID-19 a 'global pandemic.' Countries took preventive action such as social distancing, office closures, lockdowns, travel restrictions and the imposition of quarantines. This has resulted in a period of economic downturn and business disruption, including restrictions on business activities such the imposition of work-from-home (WFH) guidelines.

Embassy REIT's office parks have demonstrated resilient performance during this disruptive period. Our assets have remained open while complying with government regulations to support occupier business continuity plans. Key updates are described below:

- Over 95% occupiers and over 16,600 employees operated from the office parks in October 2020, compared to 8,500 employees on an average during 1Q FY2021
- Construction work continued across 2.7 msf of ongoing development within existing campuses; labor ramp-up at site now at c. 85% of peak capacity
- Rental collections for 2Q FY2021 from office occupiers remained robust at 99.5%, in-line with robust office rental collections of 99.7% for 1Q FY2021
- Rental increases of 11% achieved on 1.9 msf in 2Q FY2021 across 18 office leases, with YTD rental increases of 12% on 3.7 msf
- Continued support to the occupiers as they re-populate their offices, launched #OfficeAgain campaign to engage and update employees on various health and safety initiatives.
- Received the British Standards Institution's assurance certificate on our Environmental, Social & Governance processes for 2019-20 in accordance with Global Reporting Initiative (GRI) framework.

NCD Issuance

In FY2021, Embassy REIT issued listed debentures and raised ₹15.0 billion across two tranches of ₹7.5 billion each at a coupon of 7.25% per annum with quarterly payments and 6.70% per annum with quarterly payments, respectively. Embassy REIT has utilized the proceeds to refinance existing debt, for construction development, to acquire CAM businesses, and for general purposes. Debt cost has lowered meaningfully for Embassy REIT on its NCD issuances since listing.

Acquisition of CAM Services Businesses of Embassy Manyata and Embassy TechZone

In October 2020, MPPL and EOPPL completed the acquisition of the CAM services businesses for Embassy Manyata and Embassy TechZone, both existing REIT assets, from ESPL, an affiliate of Embassy Sponsor. The consideration for the acquisition comprised non-convertible debentures of MPPL and EOPPL which were issued to ESPL. Further, certain identified liabilities of ESPL were assumed (and repaid). The acquisition cost of ₹4,740 million was funded through coupon bearing debt at the Embassy REIT level. The CAM business acquisition enables full integration and overall alignment of property maintenance for two existing Embassy REIT assets and helps further enhance service delivery to the occupants of Embassy Manyata and Embassy TechZone.

Industry Update

Disruption in near term supply and absorption trends, uptick visible in calendar quarter Q3 2020

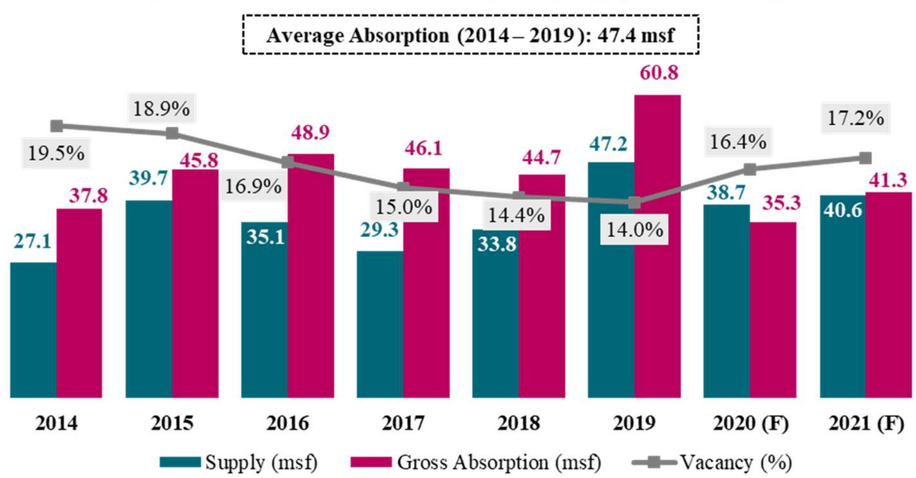
After India experienced a record 60.8 msf of gross absorption in CY 2019, office demand has slowed across all cities post March 2020 due to the impact of the global pandemic and local lockdowns in the quarter ending June 30, 2020. This slowdown resulted in absorption of 24.6 msf for the nine-month period ending September 30, 2020, a decline of 46% as compared to the nine-month period ending September 30, 2019. Globally and in India, companies paused decisions on office take-up as management teams and corporate real estate decision makers initially focused on managing short-term business continuity priorities and thereafter assessing future growth plans and office accommodation strategies.

In terms of supply, CBRE estimates that the pandemic has led to decrease in new supply by 29% from 122 msf to 87 msf (projected 2 year estimate) as of September 30, 2020. Disruption of supply chains, shortage of labour and materials, and tightening liquidity, amongst other factors, are likely to continue to keep future supply moderated and potentially lead to further delays or deferrals in the development pipeline. Ongoing construction developments from well-capitalized and institutional developers have re-commenced with improvement in the availability of labour and a resumption in supply chain networks.

As Indian central and state governments relaxed lockdown restrictions, Indian workplaces have witnessed significantly higher employee attendance in Q3 2020 as compared to Q2 2020. Occupier enquiries and site inspections have also increased in Q3 2020; multiple factors including pent-up demand for office space have led to an increase of 8% in gross absorption over Q2 2020. Decreasing net absorption and moderate supply addition has led to a marginal increase in pan India vacancy in Q3 2020 at 16.4% as compared to 16.0% in Q2 2020. The technology focused Bengaluru market continues to witness higher market share and lower current vacancy, at 7.0%. In India, select technology focused markets continue to see new enquires from financial services and e-commerce occupiers, amongst others, for long-term planned consolidation. Acceleration of digital transformation globally and bring-forward of technology spends are expected to drive strong demand from global captives and technology services businesses. Also, technology focused markets such as Bengaluru are expected to benefit, due to availability of highly-skilled talent pool and cost advantages. Landlords with healthy balance sheets and access to capital are likely to consolidate market share given expectation of return of demand in medium term and further decrease in supply due to liquidity squeeze in the market. *(Source: CBRE Research)*

CBRE estimates absorption for CY2021 at 41.3 msf, i.e. 87% of the average annual absorption over CY 2014 – 19. CBRE estimates supply at 40.6 msf for CY2021 as compared to 59.5 msf estimated as of December 2019, a reduction of c. 32%. The supply and absorption trends from CY2014 – 21 (F) are provided below. *(Source: CBRE Research)*

Top Indian 7 Cities - Gross Absorption, Supply and Vacancy



(Source: CBRE Research)

Office space supply and demand continue to be well- balanced with marginal increase in vacancy rates and relatively stable rentals. Demand continues to gravitate towards larger, institutionally owned, completed offices, or in the case of large-scale long-term requirements, towards well – capitalized, larger developers and institutional landlords. The technology sector continues to witness the largest share of the absorption at c. 38% of the total absorption for the nine-month period ending September 30, 2020 *(Source: CBRE Research).*

India office market to remain resilient relative to global office markets

Developed markets (comprising the United States, Canada and Europe) are estimated to witness negative absorption of approximately 211.7 msf from their peak, higher than the 120.5 msf negative absorption witnessed during the global financial crisis (GFC) in 2009. However, C&W estimates that emerging markets, including India, will continue to be resilient with a net addition of 683,000 office jobs in 2020. As per C&W, recent data suggests that Asia Pacific office markets are likely to show greater resilience as compared to global markets (particularly Western markets), with net absorption expected to be positive from CY2020 onwards. C&W forecasts positive global office absorption in CY2022 with the Asia-Pacific region expected to be the largest driver of global office absorption. India, given its skilled demographic base, caters to multinational occupiers and accounts for over 50% of the region's inventory *(Source: C&W Research).*

According to C&W, recent data suggests that, at the aggregate level, the impact of the current global pandemic on the office market is more benign and short-lived in Asia Pacific than elsewhere in the world. Driven by robust demographic growth, domestic demand and rapid urbanization, emerging markets are forecasted to experience only minor and short-lived employment declines.

According to C&W, increased flexible working and work from home (WFH) practices do not meaningfully alter the outlook for Asia Pacific's office market. C&W forecasts that impact on office demand due to WFH will be dwarfed by the region's overall high-growth backdrop. The increase in adoption of WFH in Asia Pacific is expected to be amongst the lowest globally, primarily driven by India where WFH adoption is expected to be lower than in advanced economies.

The strength of domestic demand & economic growth, population growth, demographic drivers and addition of office-using jobs in emerging markets like India will outweigh the impact of COVID-19. In addition, occupiers globally and in India are re-assessing their portfolios to de-densify workspaces with a comprehensive focus on hygiene, safety and distancing norms, which is estimated to lead to an increase in the average space per employee. As per C&W, a 25% increase in average space per employee due to de-densification can fully offset the impact of a permanent WFH increase of 5%. *(Source: C&W Research)*

Continued attractiveness of India office market on account of availability of large-scale talent base with technical skillsets, relevance of office spaces to foster community & collaboration and availability of institutionally held Grade A office spaces

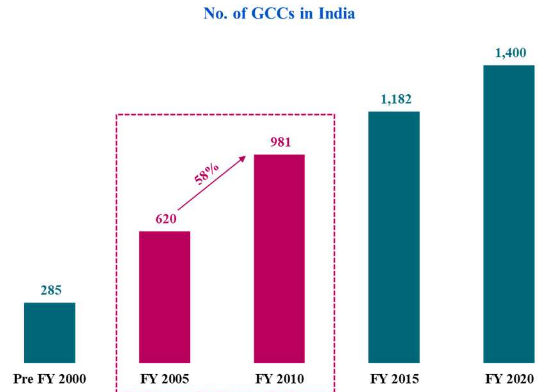
India remains the global leader in offshoring with 4.4m people employed directly through technology related industries. The availability of STEM talent at such scale is a key appeal for international companies to support their global businesses from India.

Most international companies have continued to operate through the lockdown period from March 2020, primarily with employees operating from their home, with base technology infrastructure and high single digit staffing levels within their offices. However, physical office spaces in India will continue to play a central role given occupier preference for providing high quality digital infrastructure and collaborative spaces for employees within offices and also for driving team building, learning and business innovation through community and collaboration.

Occupiers are increasingly focusing on employee health and wellness at the workplace and revising their internal design requirements to potentially reduce density of occupation, increase the focus on collaboration and community spaces and focus on safety of their employees. Developments by institutionally owned landlords/ leading developers, particularly those who own and operate large-scale business parks with multiple employee amenities, are uniquely placed to adapt to these changing trends with superior portfolio quality assets to address the needs of potential occupiers with their high quality, safety and wellness-oriented properties, including technological enhancements in common areas and property management. *(Source: CBRE Research)*

Technology Sector to stay resilient with accelerated digital transformation and technology spends

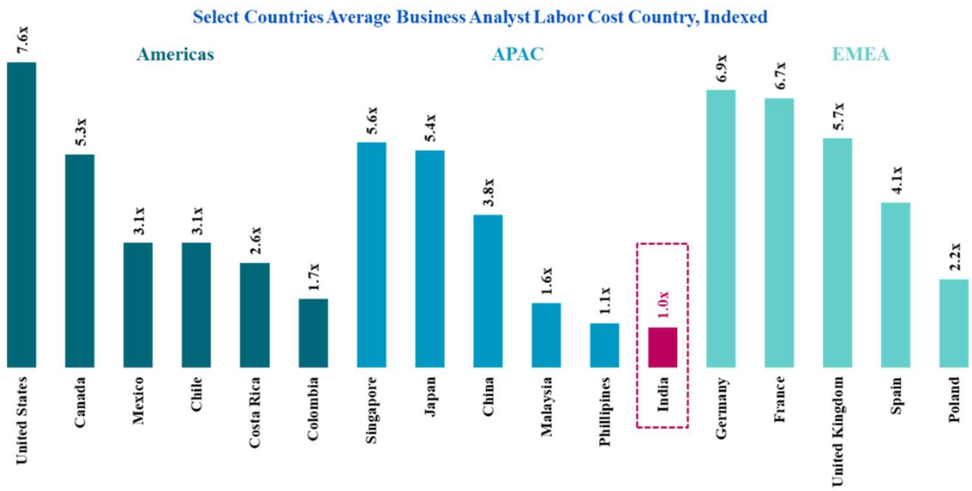
India is one of the leading destinations for technology services in the world and continues to be a leader in the global sourcing industry with a 56% market share *(Source: NASSCOM, Techade Strategic Review 2020)*. Post the 2008 Global Financial Crisis (GFC), the number of Global Capability Centers (GCCs) grew by 58% between FY 2005 and FY 2010 in India. As of March 31, 2020, there are 1,400 GCCs and companies are expected to continue further development of technology operations with a CAGR of 13.0% projected till 2025. *(Source: NASSCOM Research (February 2020), C&W Research)*



(Source: NASSCOM Research, C&W Research)

In response to the COVID–19 pandemic, leading global companies are accelerating digital transformation and bringing forward technology spends like cloud, digital, data services and cyber security. India, with one of the largest available English speaking STEM talent pool, cost advantages and affordable rentals will continue to capitalize on this trend. Global acceleration of technology spends have also resulted in select large listed Indian technology companies witnessing a positive net headcount addition in Q3 2020 as compared to Q2 2020 *(Source: CBRE Research)*.

A renewed focus on high quality technology talent at affordable cost is a leading contributor to the continued appeal of India as an offshoring hub. The chart below demonstrates India's cost competitiveness as compared to select global economies.



(Source: CBRE Research)

B. The ETV Acquisition

Overview

The Embassy REIT proposes to acquire 84.05 acres in Embassy TechVillage, an office park located in Bengaluru comprising: (i) approximately 76.05 acres of commercial development by Vikas Telecom Private Limited ("**VTPL**") consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services (collectively, the "**ETV Business**"); and (ii) approximately 8.0 acres consisting of approximately 1.1 msf of under-construction area being developed commercially by Sarla Infrastructure Private Limited ("**SIPL**"), which has been fully pre-leased, along with the associated business of common area maintenance services (collectively, the "**SIPL Business**") within overall Embassy Tech Village campus ("**ETV**", and the acquisition of the ETV Business and the SIPL Business together, the "**ETV Acquisition**").

The aggregate enterprise value for the ETV Acquisition is ₹97,824 million, comprising of ₹87,000 million for the ETV Business and ₹10,824 million for the SIPL Business. The enterprise value payable shall be subject to adjustments in relation to net debt, working capital and other adjustments, as agreed among the parties.

No acquisition fee is payable to the Manager for the proposed ETV Acquisition.

The Embassy REIT proposes to undertake the ETV Acquisition by purchasing the following:

(i) up to 100% of the equity share capital of Embassy Office Ventures Private Limited ("**EOVPL**") currently held by Embassy Real Estate (defined below) and the BREP Entities (defined below), and the associated business of common area maintenance services (EOVPL in turn holds 60% of VTPL);
(ii) 40% of the equity share capital of VTPL held by Mr. Vasudev Garg, Mr. Chaitanya Garg and Ms. Radhika Garg ("**Gargs**" or "**Third-party Shareholders**"); and
(iii) up to 100% of the equity share capital of SIPL held by the Embassy Sponsor (including shares held jointly) and the associated business of common area maintenance services.

The Embassy REIT intends to complete the entire ETV Acquisition in one closing. The Embassy REIT may proceed with the completion of some or all of the above components of the ETV Acquisition in one or more tranches (as described below) depending on the total quantum of funds raised under the proposed Institutional Placement and other financing and market considerations.

The ETV Acquisition excludes approximately 19.39 acres proposed to be developed by Embassy Commercial Projects (Whitefield) Private Limited ("**Embassy Whitefield**"), an entity which will be owned by the BREP Entities and the Third-party Shareholders, which area is proposed to be leased by VTPL to Embassy Whitefield on a long-term basis (together with associated business of common area maintenance services business, the "**Back Land**"). The lease of the Back Land shall continue after the ETV Acquisition by the Embassy REIT.

Embassy Real Estate Developments and Services Private Limited ("**Embassy Real Estate**") and Embassy Property Developments Private Limited, a sponsor of the Embassy REIT (the "**Embassy Sponsor**"), are part of the Embassy group. The "**BREP Entities**" are certain Blackstone entities and comprise BREP Asia SBS Holding –NQ CO IV Ltd., BREP Asia SG Indian Holding (NQ) CO I Pte. Ltd., BREP VII SBS Holdings-NQ CO IV Ltd. and BREP VII SG Indian Holding (NQ) CO I Pte. Ltd. A Blackstone entity, BRE/ Mauritius Investments, is a sponsor of the Embassy REIT (the "**Blackstone Sponsor**").

Pursuant to Regulation 19(5)(b)(i) of the REIT Regulations and the policy on related party transactions adopted by the Manager on behalf of the Embassy REIT, the ETV Acquisition requires the approval of Unitholders of the Embassy REIT in accordance with Regulation 22(5) of the REIT Regulations.

Proposed Restructuring by the Embassy Sponsor

Due to an internal restructuring that the Embassy Sponsor is undertaking, the BREP Entities may own 100% of the equity share capital of EOVPL ("**Proposed Restructuring**"). The Proposed Restructuring is through a court-approved demerger scheme and is currently expected to be effective on or prior to November 30, 2020 (unless mutually extended) ("**Proposed Restructuring Date**"). As a result of this Proposed Restructuring, the Embassy REIT will acquire the entire equity share capital of EOVPL from the BREP Entities and not from Embassy Real Estate. If the Proposed Restructuring is not effective on or prior to the Proposed Restructuring Date, the Embassy REIT will acquire the entire equity share capital of EOVPL from Embassy Real Estate and the BREP Entities.

In both scenarios, the Embassy REIT will also acquire 40% of the equity share capital of VTPL held by the Third-party Shareholders. Hence, whether or not the Proposed Restructuring becomes effective, the Embassy REIT will be able to acquire up to 100% of the equity share capital of each of EOVPL and VTPL.

Acquisition Mechanics

While the Embassy REIT intends to complete the entire ETV Acquisition at one closing, depending upon financing, the Embassy REIT may proceed to complete the ETV Acquisition in the following manner:

(i) first, at the minimum, complete the acquisition of/subscription to 60.17% of the economic interest in EOVPL (together with the entire 40% of the equity share capital of VTPL held by the Third-party Shareholders) such that the Embassy REIT has management and operational control over the ETV Business and redeem certain outstanding securities held by the Embassy group in EOVPL;
(ii) next, redeem any remaining outstanding securities in EOVPL and pay the interest accrued on certain convertible securities of EOVPL issued to the BREP Entities;
(iii) next, complete the acquisition of any remaining equity share capital of EOVPL; and
(iv) thereafter, complete the acquisition of the SIPL Business.

The steps may occur simultaneously or at different closings, as agreed among the parties. See below.

In addition, the Embassy REIT proposes to acquire the associated business of common area maintenance services as part of the acquisition of EOVPL if the Proposed Restructuring is effective on or prior to the Proposed Restructuring Date or pursuant to a business transfer agreement if the Proposed Restructuring is not effective.

a) <u>Acquisition of the ETV Business</u>

The Embassy REIT proposes to acquire 40% of the equity share capital of VTPL from the Third-party Shareholders. The Third-party Shareholders will be issued units through a preferential issue of units of the Embassy REIT at a price of ₹356.7 per unit as consideration.

The Embassy REIT proposes to acquire up to 100% of the equity share capital of EOVPL in one or more tranches.

The Embassy REIT may determine to acquire less than 100% of the equity share capital of EOVPL at an initial closing (**"Tranche I Closing"**) provided it (i) can acquire 60.17% of the economic interest in EOVPL and redeem certain outstanding securities held the Embassy group in EOVPL and pay the interest accrued on certain convertible securities of EOVPL issued to the BREP Entities; (ii) can acquire the entire 40% of the equity share capital of VTPL held by the Third-party Shareholders; and (iii) has management and operation control over EOVPL and VTPL.

In this case, the BREP Entities (who would be minority shareholders in EOVPL) and the Embassy REIT propose to mutually agree prior to the Tranche I Closing on certain limited rights that shall be made available to the BREP Entities relating to the protection of the economic value and exit rights of BREP Entities' stake in EOVPL including the right to appoint a director on the board of directors of EOVPL until such time that the BREP Entities hold any equity shares in EOVPL.

Also, in this case, the BREP Entities and the Embassy REIT have the obligation to sell and purchase, respectively, any remaining equity share capital held by the BREP Entities in EOVPL for cash on or prior to June 30, 2021 (unless mutually extended) (**"Tranche II Closing"**) without any change in consideration for such shares, i.e., the equity value per equity share of EOVPL for the Tranche II consideration will be the same as that for Tranche I Closing and there shall be no subsequent closing adjustments for the Tranche II Closing. To pay such amount, the Embassy REIT may consider raising further funds through an institutional placement or such other methods as permitted under applicable law. However, the parties may also mutually agree for such closing to be by way of an issue of units of the Embassy REIT (or a combination of cash and units).

If the parties agree for the consideration for the Tranche II Closing to be paid in units, the pricing for such a preferential allotment will be:

(i) based on the regulatory floor price rounded up by ₹0.05;
(ii) not be less than ₹356.7 per unit, which is the preferential allotment pricing to the Third-party Shareholders ("**Floor Price**"); and
(iii) subject to a ceiling of ₹375.02 per unit (the Net Asset Value per unit of the Embassy REIT declared as on September 30, 2020 in accordance with the REIT Regulations).

In the event the remaining equity share capital of EOVPL held by the BREP Entities is not purchased by the Embassy REIT on or prior to June 30, 2021 (unless such date is mutually extended), the BREP Entities will be entitled to seek an exit by way of swap of units at the regulatory price per unit or if the regulatory price is lower than the Floor Price, then the Floor Price. Any preferential allotment of units in future shall be subject to the requisite unitholder vote at that time and other applicable regulatory requirements.

Embassy Real Estate and the BREP Entities own 64.17% and 35.83%, respectively, of the equity share capital of EOVPL. As part of the *inter-se* arrangement between the shareholders of EOVPL, prior to the Tranche I Closing, EOVPL shall have two classes of shares; namely Class A equity shares held by Embassy Real Estate and equity shares held by the BREP Entities, with each class having different voting rights and dividend/economic rights and which are all proposed to be acquired by the Embassy REIT.

In the event the ETV Acquisition occurs in tranches, after the Tranche I Closing, the Embassy REIT will hold, at the minimum, Class A equity shares with 64.17% voting rights, which represent 60.17% dividend and economic rights with the BREP Entities holding equity shares with the remaining rights. The Embassy REIT intends to acquire either all or the remaining equity shares from the BREP Entities as part of the Tranche II Closing. In any event, after the Tranche I Closing, the Embassy REIT shall have management and operational control over EOVPL and VTPL.

b) Acquisition of the SIPL Business

The Embassy REIT proposes to acquire up to 100% of the equity share capital of SIPL from the Embassy Sponsor in one or more tranches.

The Embassy REIT may decide to acquire less than 100% of the equity share capital of SIPL at an initial closing ("**Tranche A Closing**") provided it (i) has management and operation control over SIPL; and (ii) can acquire not less than 51% of the equity share capital of SIPL.

In this case, the Embassy Sponsor (who would be a minority shareholder in SIPL) and the Embassy REIT propose to mutually agree prior to the Tranche A Closing on certain limited rights that shall be made available to the Embassy Sponsor relating to the protection of the economic value and exit rights of the Embassy Sponsor's stake in SIPL including the right to appoint a director on the board of directors of SIPL until such time that the Embassy Sponsor holds any equity shares in SIPL.

Also, in this case, the Embassy Sponsor and the Embassy REIT have the obligation to sell and purchase, respectively, the remaining equity share capital in SIPL for cash on or prior to June 30, 2021 (unless mutually extended) ("**Tranche B Closing**") without any change in consideration, i.e., the equity value per equity share of SIPL for the Tranche B consideration will be the same as that for the Tranche A Closing and there shall be no subsequent closing adjustments for the Tranche B Closing. To pay such amount, the Embassy REIT may consider raising funds through an institutional placement or such other methods as permitted under applicable law. However, the parties may also mutually agree for such closing to be by way of an issue of units of the Embassy REIT (or a combination of cash and units).

If the parties agree for the consideration for the Tranche B Closing to be paid in units, the pricing for such a preferential allotment will be:

(i) based on the regulatory floor price rounded up by ₹0.05;
(ii) not be less than ₹356.7 per unit, which is the preferential allotment pricing to the Third-party Shareholders (the Floor Price); and
(iii) subject to a ceiling of ₹375.02 per unit (the Net Asset Value per unit of the Embassy REIT declared as on September 30, 2020 in accordance with the REIT Regulations).

In the event the Embassy REIT does not purchase the remaining equity share capital of SIPL held by the Embassy Sponsor on or prior to June 30, 2021 (unless such date is mutually extended), the Embassy Sponsor will be entitled to seek an exit by way of swap of units at the regulatory price per unit or if the regulatory price is lower than the Floor Price, then the Floor Price. Any preferential allotment of units in future shall be subject to the requisite unitholder vote at that time and other applicable regulatory requirements.

Also, while the entire 1.1 million square feet leasable area of SIPL is already pre-leased, the property is currently under construction. Given the Embassy REIT proposes to acquire this property similar to a rent-generating asset, the Embassy Sponsor has also agreed to provide rental support to SIPL aggregating to ₹1,441 million until the quarter ending March 31, 2022 (after which the lease rentals are expected to commence from this property).

Further, SIPL will be responsible for providing common area maintenance services for the under-construction area being developed by SIPL with effect from the Tranche A Closing.

For details of the above acquisition, including key terms of the agreements and sources of funding, see "*Key Terms of the ETV Acquisition Agreements*", "*Structure of the ETV Acquisition*", "*Related Parties*" and "*Structure of the Unit Capital Fund Raising*" below.

The ETV Acquisition is subject to closing conditions including obtaining consents, unitholder approvals and regulatory approvals (as applicable), including the approval of the stock exchanges for the Preferential Allotment and the Institutional Placement.

ROFO Deed

The Embassy Sponsor has informed the Embassy REIT that it had initiated the process for the sale of EOVPL to the Embassy REIT in November 2019 under the terms of the ROFO Deed dated September 20, 2018. A substantial period of time has since elapsed. As a result, the Embassy group, with a view to pare down debt at its corporate level and fund its own growth initiatives, will pursue an alternate transaction with the BREP Entities for the proposed sale of the Embassy Real Estate's equity interest in EOVPL (and therefore, its effective stake in the underlying asset) to the BREP Entities. The Embassy Sponsor has stated that it will undertake this sale to the BREP Entities in compliance with its obligations under the ROFO Deed only if the Embassy REIT fails to complete the acquisition of the Embassy group's interest in EOVPL on or prior to January 31, 2021, unless mutually extended. Under the terms of the ROFO Deed, the Embassy Sponsor is entitled to divest all its interest in the ROFO asset to any third party without any restriction as to price or terms in the event that the Embassy REIT fails to complete the acquisition within the timelines agreed in the definitive documentation with the Embassy Sponsor. If the Embassy REIT fails to complete the acquisition of the ETV Business on or prior to the agreed date, the Embassy Sponsor has agreed to transfer to the BREP Entities the Embassy group's stake in the ETV Business and the Embassy group's stake in the Back Land (which does not form part of the ETV Business). As a result of this proposed transaction, the BREP Entities would own 100% of EOVPL, at a consideration based on the enterprise value for the ETV Business (other than the associated business of common area maintenance services) which is equal to the enterprise value for the ETV Business (other than the associated business of common area maintenance services) agreed between the Embassy Sponsor and the Embassy REIT. In this event, the Embassy REIT will no longer have the right to purchase the ETV Business under the ROFO Deed.

SECTION II:
INFORMATION REGARDING THE ETV ACQUISITION

A. Embassy TechVillage

Large-scale Asset with Complete Business Ecosystem

ETV is one of the best-in-class integrated office parks in India with a Total Leasable Area of 9.2 msf. The Total Leasable Area includes 6.1 msf of Completed Area with an Occupancy of 97.3%, 3.1 msf Under Construction Area including two proposed hotels with 518 keys. ETV is located on ORR, Bengaluru's largest office sub-market, which is easily accessible to Bengaluru's CBD. ETV's connectivity will further be enhanced by a key metro line with a proposed metro station at ETV's main entrance. BMRC expects the line to be commissioned by March 2024.

Key Asset Information

Entities	Embassy Office Ventures Private Limited, Vikas Telecom Private Limited and Sarla Infrastructure Private Limited
Interest to be owned by Embassy REIT (%)	100.0%(1)
Year of Commencement	2008(2)
Sub-market	Outer Ring Road (ORR)
Site Area (Acres)	84.05(3)
Freehold/ Leasehold	Freehold(4)
Total Leasable Area (msf)	9.2
Completed Area (msf)	*6.1*
Under Construction Area (msf)	*3.1 (c. 36% already pre-leased)*
Occupancy/ Committed Occupancy (%)	97.3% / 98.4%
Number of Hotel keys	518 (proposed)
Number of Occupiers(5)	42

Notes:
(1) EOVPL and SIPL will be owned 100% directly; VTPL will be owned 60% through EOVPL and 40% directly. The ETV Acquisition may be completed in tranches, depending on funding and market considerations – for details, see "The Proposed Transaction" above.
(2) For VTPL, SIPL (c. 1.1 msf) is currently under construction
(3) Represents the area proposed to be acquired by the Embassy REIT. VTPL owns c. 97.52 acres and leases 1.93 acres. Of the area it owns, VTPL has leased 4 acres to SIPL (in addition to this leased area, SIPL owns 4 acres in the park). VTPL also proposes to lease 19.39 acres to Embassy Whitefield
(4) Approximately 1.93 acres is leasehold
(5) Excluding support retail tenants

Home to an estimated working population of over 45,000 people, ETV serves as a complete business ecosystem for its occupiers and their employees. Besides offering Grade A office facilities and a range of dining, recreation, safety, emergency, a planned central park and other supporting facilities, ETV also includes outdoor sports facilities, medical center, childcare facilities and gymnasium. c. 68% of the energy consumption of ETV is met through renewable energy sources[14] such as a 100 MW solar plant and wind turbines, resulting in 44 million kg of carbon emission saved annually[15]. ETV has received the IGBC Platinum Green Campus Certification and the British Safety Council Sword of Honor in 2017. In October 2020, Embassy Tech Village received the global certification from the British Safety Council for the best-in-class health and safety practices implemented in controlling the spread of COVID-19. ETV in collaboration with its corporate occupiers is also involved in community engagement through implementation of targeted education initiatives in local government schools.

During the ongoing COVID-19 pandemic, ETV has demonstrated resilience in its performance and established business continuity programs. Between April – September 2020, the rental collections from office occupiers remained

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[14] Relates to CY2019 average.
[15] Indicative on CO_2 baseline data base for the Indian power sector Jun'18 and assuming over 54 mn unit consumption from Solar and Wind turbines.

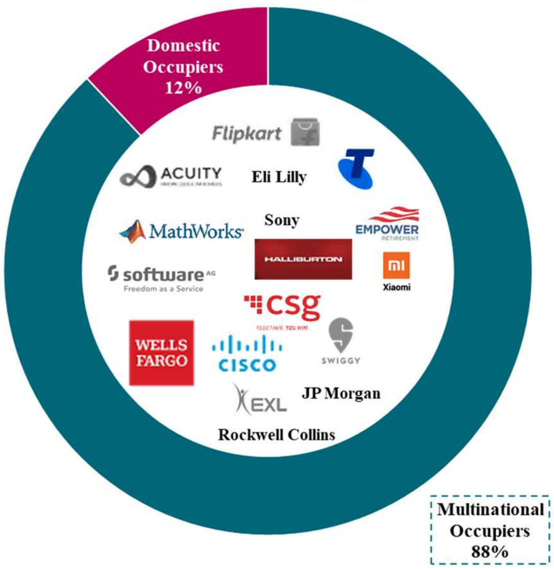
robust at 99.2%. ETV had an average of 91% of occupiers continuing to operate out of the park in the 6 months period ending October 31, 2020.

Strong International Occupier Base

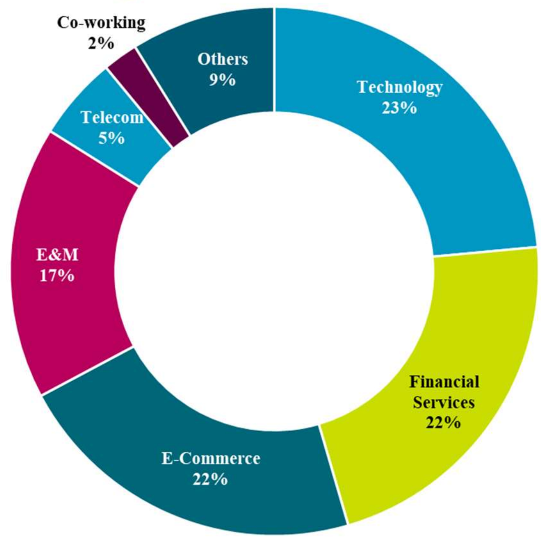
ETV has a high-quality occupier base of 42 occupiers (including Sony, Wells Fargo, Cisco, JP Morgan, Flipkart and Great West amongst others). ETV derives 88% of its Gross Rentals from multinational occupiers and 48% of its Gross Rentals from Fortune 500 companies. ETV has a diversified occupier base and 67% of ETV's occupiers are from the technology, financial services and e-commerce sectors.

c.88% of Rents from Multinational Occupiers

c.48% from Fortune 500 Companies



c.67% of Rents from Occupiers operating in the Technology, financial services and e- commerce sectors

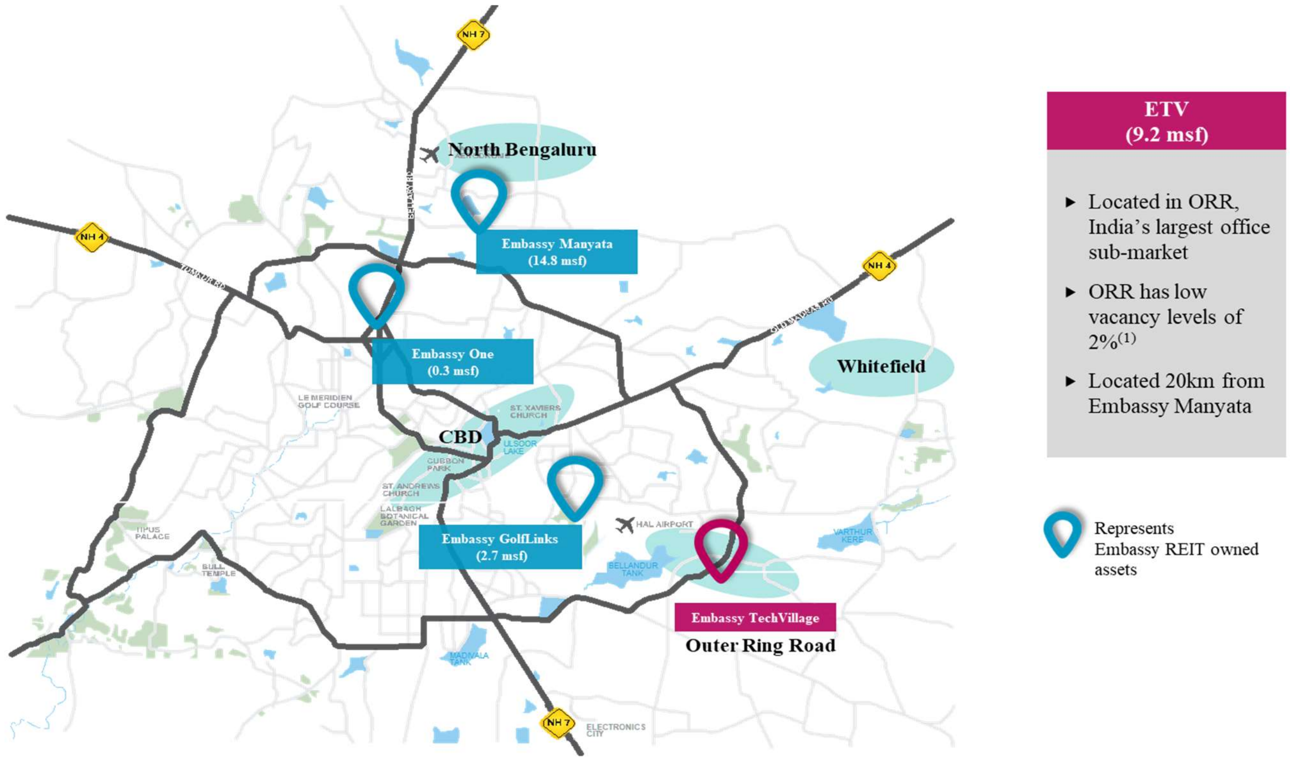


Notes: Basis Gross Rentals for the month of September 2020. Actual legal entity names of the occupiers may differ from the names referred above

Strategically located asset increasing Embassy REIT's presence in Bengaluru, India's strongest office market

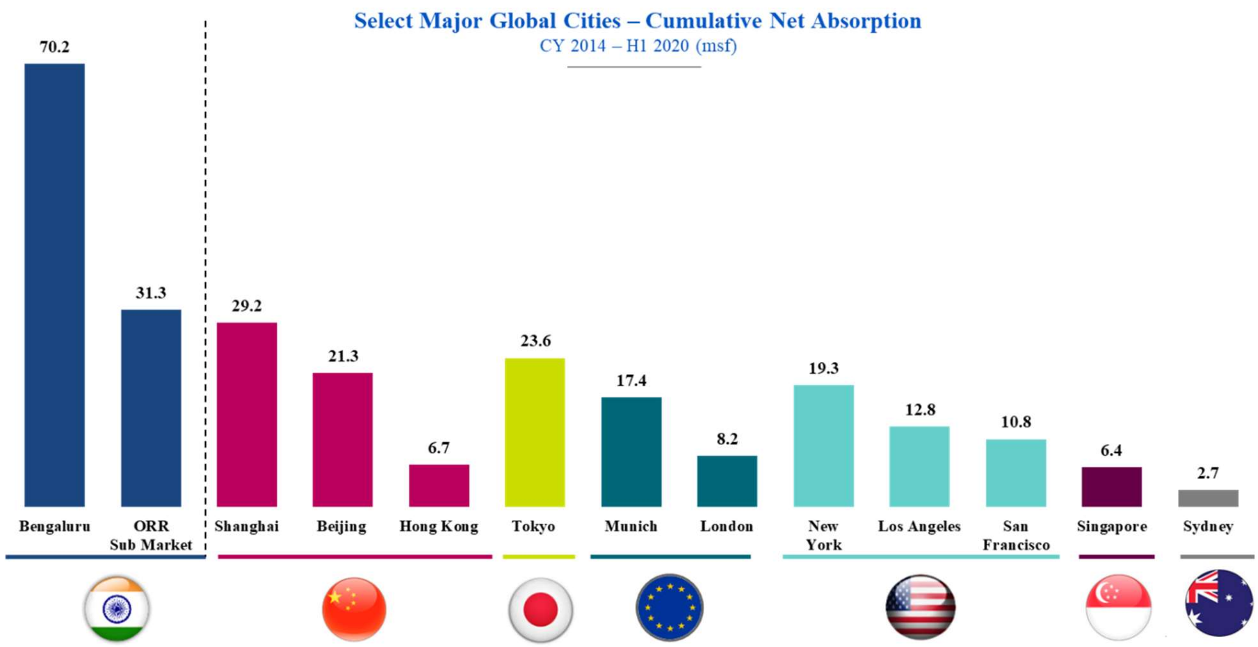
Bengaluru, also known as India's 'Silicon Valley', is the second largest technology hub in the world and a global destination for technology and R&D outsourcing. With 1,000+ technology companies, Karnataka (the state in which Bengaluru is located) accounted for 39% of India's total technology exports in 2019 *(Source: Economic Survey of Karnataka, 2019 – 20)*. The city has emerged as the country's start-up hub with more than 2,000 technology start-up establishments as of December 31, 2019 and is ranked amongst the top global technology innovation hubs *(Source: CBRE Research)*. Bengaluru houses 37% of India's ER&D GICs (also referred as Global Capability Centres or GCCs) and 50% of India's ER&D GICs talent base *(Source: NASSCOM Research Strategic Review 2019).*

The ETV Acquisition further enhances Embassy REIT's position in Bengaluru, India's strongest office market, as shown in the map below. The ETV Acquisition also contributes to Embassy REIT's position as one of the leading office landlords in India.



Notes: (1) As of September 30, 2020; (Source: CBRE Research)

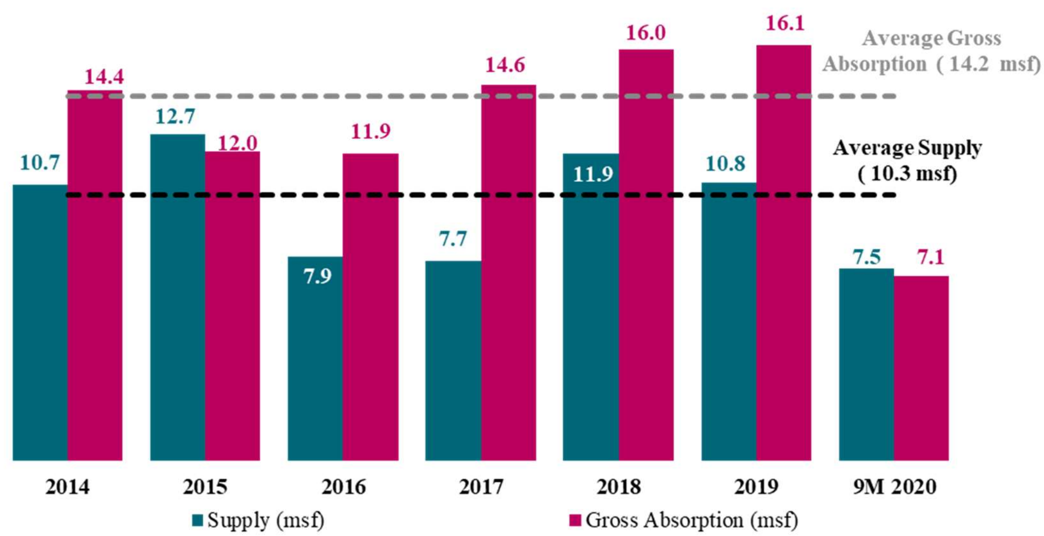
Bengaluru is the largest office market in India accounting for 165 msf of office stock and has consistently witnessed higher cumulative absorption than Shanghai, Beijing and Hong Kong combined as well as higher absorption than other global cities such as Tokyo, Munich, London, New York, as shown in the chart below.



(Source: CBRE Research)

Bengaluru remains India's leading office market with strong fundamentals and robust occupier demand, led by technology and e-commerce companies as well as in house GCCs. This has resulted in cumulative gross absorption of 92.1 msf over 2014 – Q3 2020 (the highest amongst top 7 office markets in India), compared to 69.2 msf of supply for the same period. CBRE Research witnessed a c.410 bps drop in vacancy for Bengaluru from 11.1% in 2014 to 7.0% as of Q3 CY 2020 (the lowest forecasted vacancy amongst top 7 office markets in India) and 7.9% rental CAGR over CY 2014 – Q3 CY 2020 (the highest amongst top 7 office markets in India).

Bengaluru City: Supply and Gross Absorption (CY 2014 – 9M 2020)

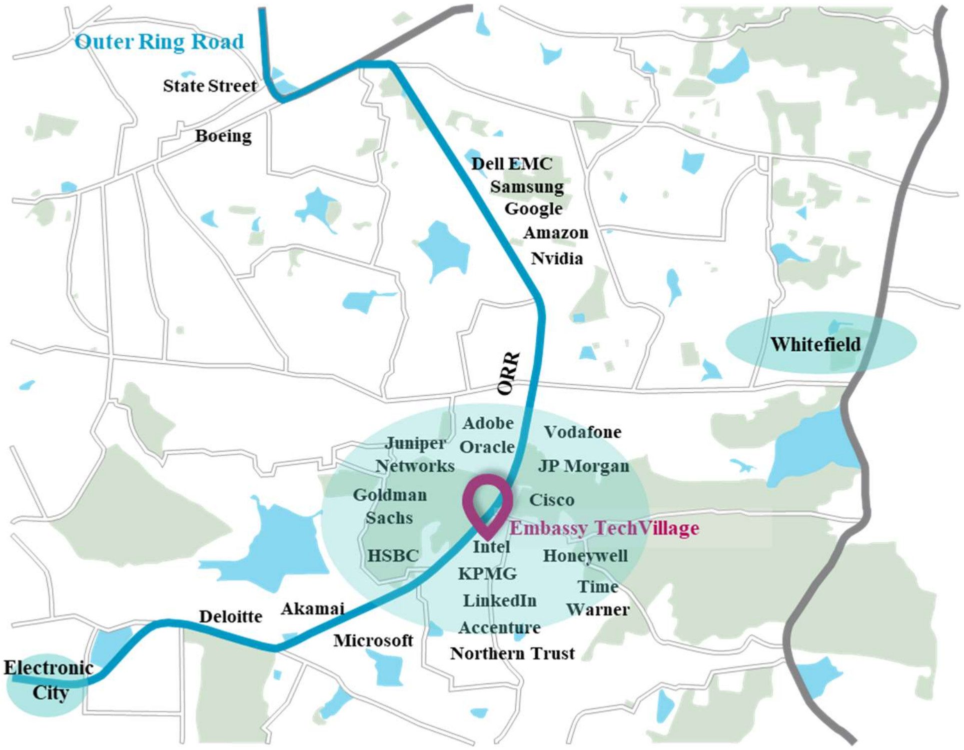


Source: CBRE Research. Average for CY 2014 – CY 2019 and does not include 9M CY2020 figures

ORR: Largest office sub-market in India and best performing sub-market of Bengaluru

ETV is strategically located in the heart of Bengaluru's IT corridor in ORR, a prominent arterial road in Bengaluru, and is well- connected to the other sub-markets of Whitefield to the east and Electronic City to the south, as shown in the map below. ORR has emerged as one of Bengaluru's most prominent commercial office hubs, given the premium quality of commercial office spaces and connectivity to other established micro-markets across the city. It has also emerged as the location of choice for many multinationals such as Amazon, Goldman Sachs, JP Morgan, Wells Fargo and Cisco. The c.12 km stretch of ORR is the largest office sub-market in India with c.54 msf of office stock, 650,000+ employees and has been the highest absorption sub-market in Bengaluru each year over the past 5 years. *(Source: CBRE Research)*

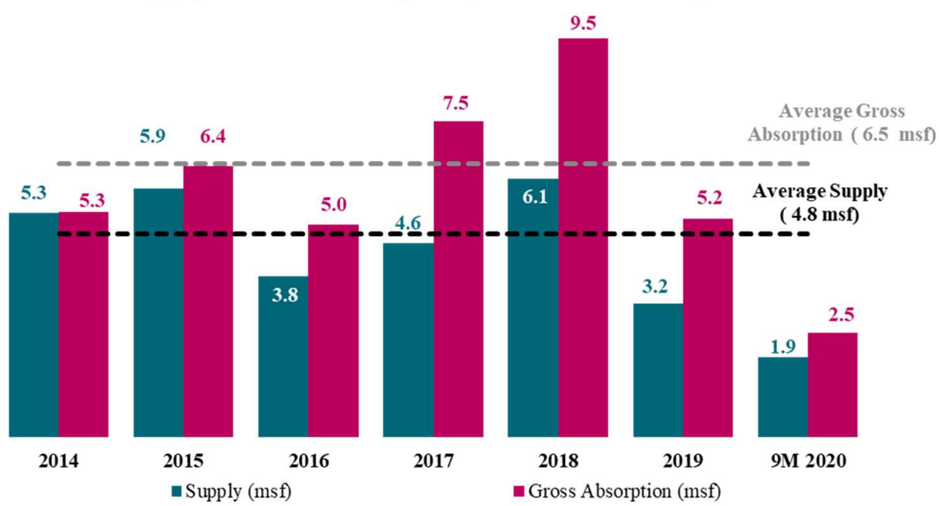
Outer Ring Road (ORR): ETV Asset Location



(Source: CBRE Research)

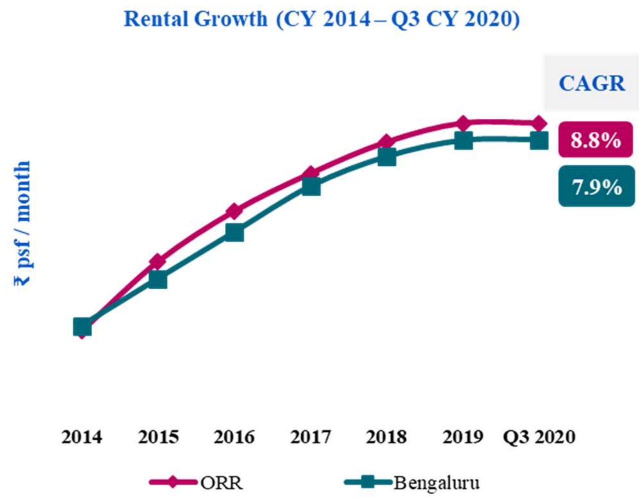
Apart from being the best performing office sub-market of Bengaluru, ORR is also one of strongest sub-markets in India. The sub-market witnessed higher net absorption than the top 11 global cities between CY 2014 – H1 2020, and accounted for c.14% of India's office net absorption between CY 2014 – Q3 CY 2020 and c.45% of Bengaluru's net absorption between CY 2014 – Q3 CY 2020.

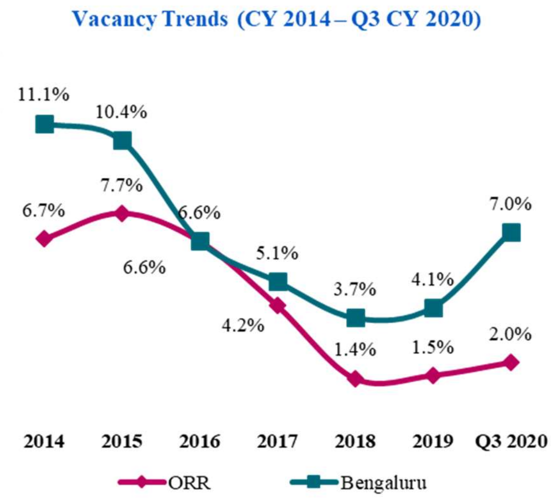
ORR: Supply and Gross Absorption (CY 2014 – 9M 2020)



Source: CBRE Research. Average for CY 2014 – CY 2019 and does not include 9M CY2020 figures

The ORR sub-market's average net annual absorption over CY2014 – Q3 CY 2020 is 4.7 msf, which has resulted in rental growth CAGR of 8.8% against the rental growth CAGR of 7.9% for Bengaluru in the same period. Continued leasing momentum in ORR has also resulted in a low vacancy of c.2.0% for the sub-market (492 bps lower than the Bengaluru market's vacancy as of September 30, 2020).

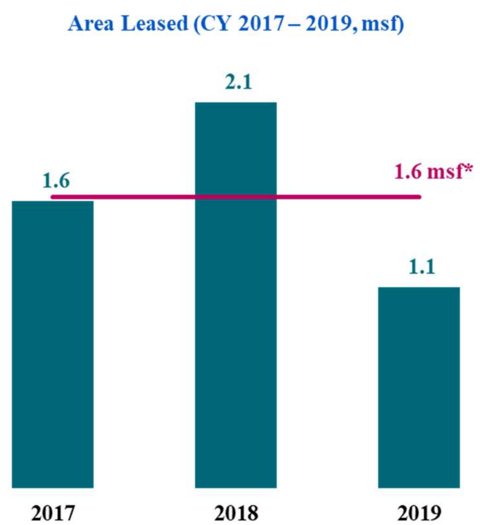


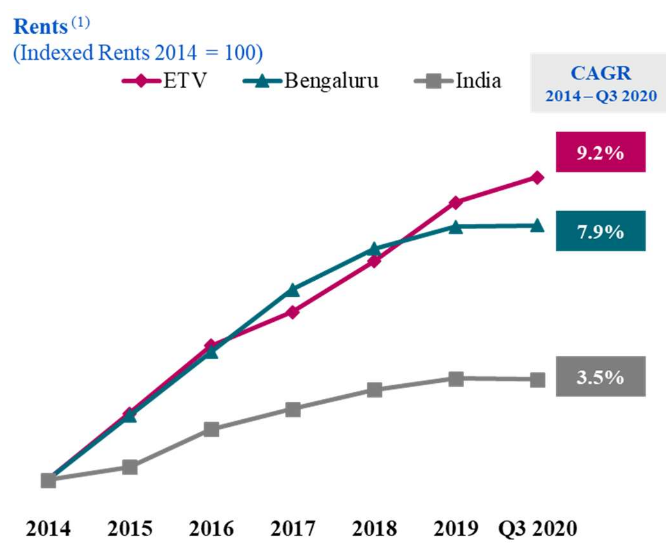


Source: CBRE Research

Strong leasing momentum

ETV has witnessed strong leasing traction with 4.8 msf leased between CY 2017 and CY 2019 with 27% re-leasing spreads on 0.7 msf. Further, ETV's rents have increased at a higher CAGR than market rents in Bengaluru and India, as shown in the chart below:

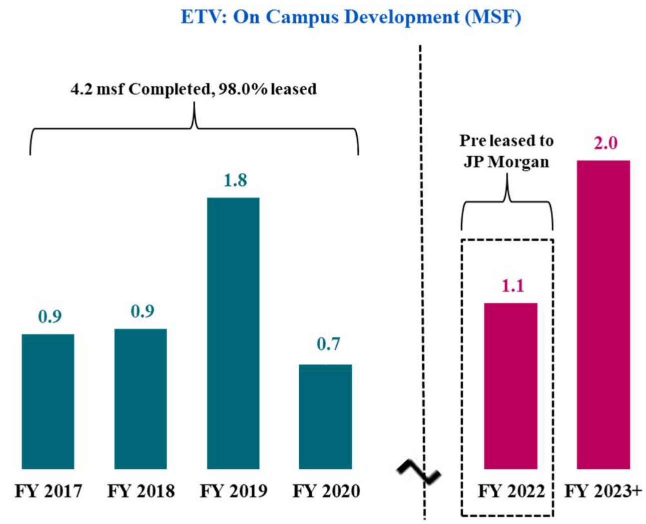




*Notes:*Average absorption; (1) Market rents for assets as per CBRE Research*

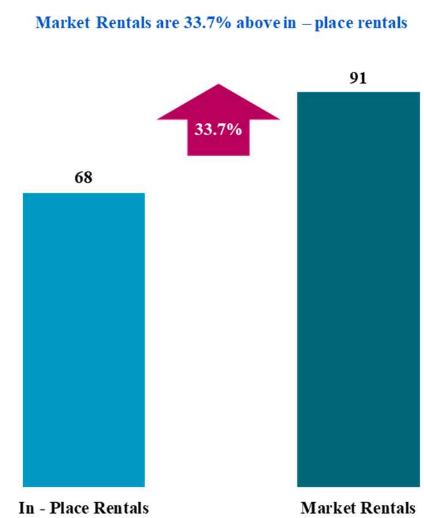
Growth from On Campus Development

ETV has witnessed strong leasing traction on newly developed area with 4.2 msf completed since April 2016 of which 98.0% was leased, with strong future growth forecast from 3.1 msf of further on-campus development (c.36% already pre-leased to JP Morgan and estimated to be delivered in Q2 FY 2022) in a sub-market with 2.0% vacancy as of September 30, 2020.



Long-term stable cash flows with strong embedded growth

ETV has a 9.7 year WALE with a 33.7% mark-to-market ("MTM") rental reversion potential, as shown in the chart below. Further ETV's occupiers generally have a contracted rental increase of 15% every three years. Approximately 36% of ETV's Under Construction Area is pre-leased to JP Morgan under a built-to-suit arrangement.



(Source: CBRE Research)

Enhancing occupier alignment through acquisition of CAM Services Businesses of Embassy TechVillage

The CAM services business acquisition positions Embassy REIT to have direct control and oversight of the common area maintenance services to occupiers. Acquisition of the common area maintenance businesses further enhances service delivery to occupiers, which is an important consideration, given the heightened health and safety focus by occupiers.

B. Benefits of the ETV Acquisition

Complementary Acquisition with Strong Operating Metrics

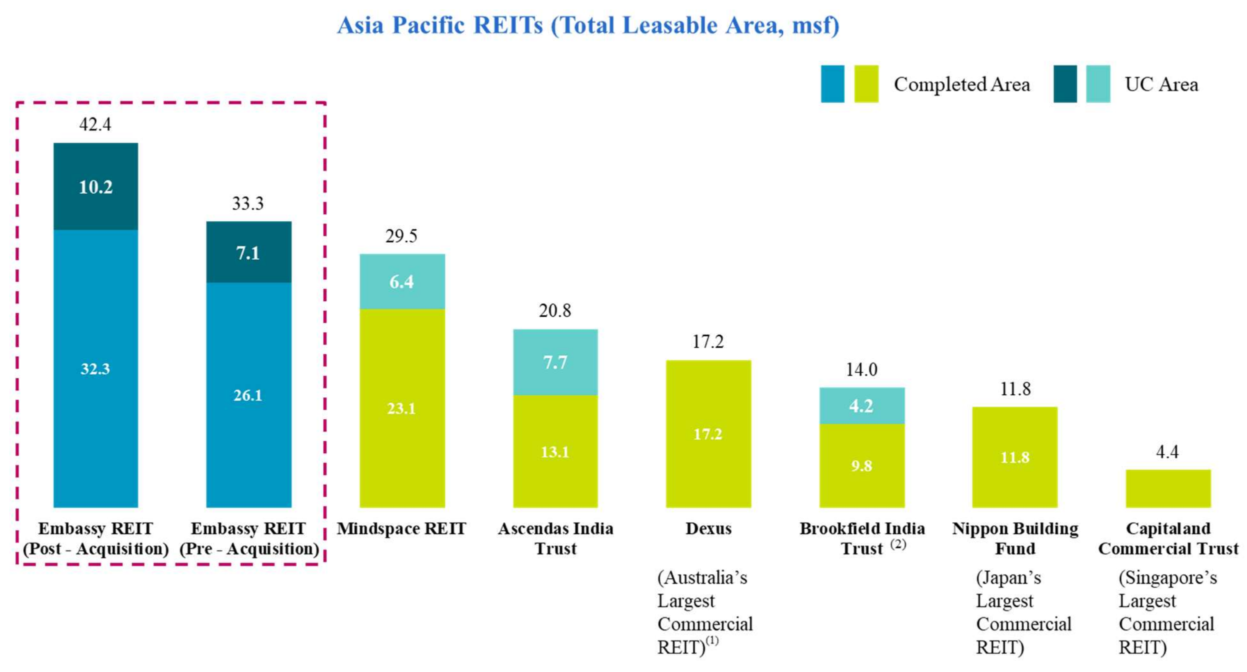
ETV's campus style development is a continuation of Embassy REIT's strategy of owning and operating large-scale integrated business parks. In particular, ETV is directly comparable to Embassy Manyata, Embassy REIT's largest campus-style integrated office park. The table below provides some of these comparable metrics:

Particulars	Initial Portfolio	Embassy Manyata	Embassy TechVillage
Total Leasable Area[(1)] (msf)	33.3	14.8	9.2
Completed Area	26.2	11.8	6.1
Under Construction Area [(2)]	7.1	3.1	3.1
Average In-Place Rent (₹ psf/ month)	69.7	61.2	68.1
MTM Potential (%)	28.4%	48.8%	33.7%
Occupancy (%)	91.7%	97.0%	97.3%
WALE (Years)	6.5	7.3	9.7
No. of Tenants [(2)]	162	41	42

Notes: As of September 30, 2020
(1) Excludes the area for hotels and the solar asset
(2) Includes proposed development
(3) Office Occupiers, excludes support retail tenants

Enhances Embassy REIT's size and scale

ETV with a Total Leasable Area of 9.2 msf, comprising 6.1 msf of Completed Area and 3.1 msf of under construction area (of which c. 36% is pre-leased) will add c.28% to Embassy REIT's Total Leasable Area (see chart under "*Post Acquisition Pro Forma and Adjusted Metrics – Increase in Embassy REIT's size and valuation*" below). A snapshot of Embassy REIT's Enlarged Portfolio (post the ETV Acquisition), compared with select Asia Pacific office REITs is given below:

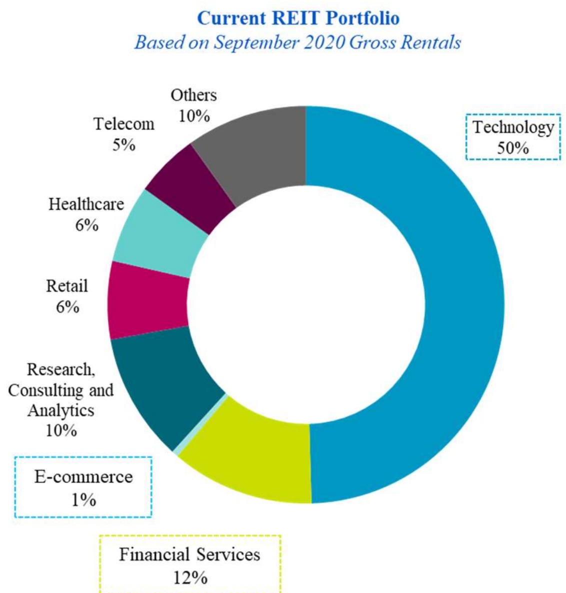


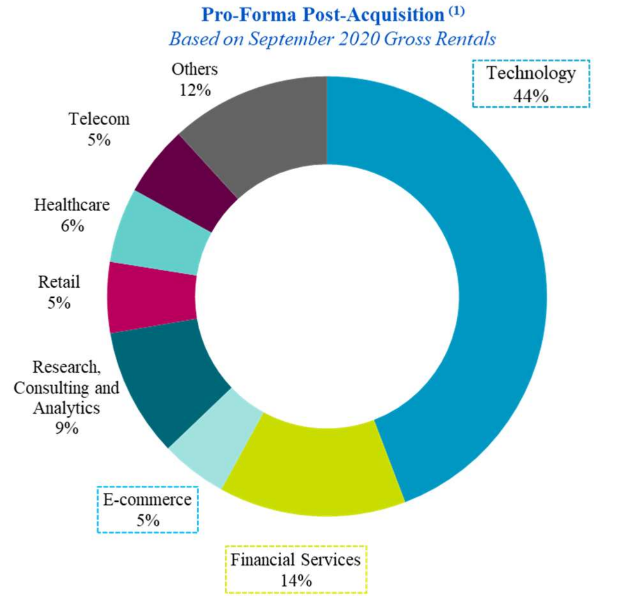
Source: CBRE Research, UC represents area under development and proposed development. Area numbers given for Office and aggregate for the Embassy REIT. Data is based on information available in the public domain for the latest period.

Note: The above chart assumes the completion of the ETV Acquisition.
(1) Split between completed and UC not available; (2) Brookfield India REIT is not listed yet

Further strengthens and diversifies Embassy REIT's occupier profile

The acquisition will enable Embassy REIT to add additional blue-chip occupiers in the technology, financial services and e-commerce sectors to its existing portfolio of marquee occupiers; increasing contribution of financial services and e-commerce to Gross Rentals from 13% to 19% post-acquisition. Embassy REIT's pre and post-acquisition occupier mix is described below:





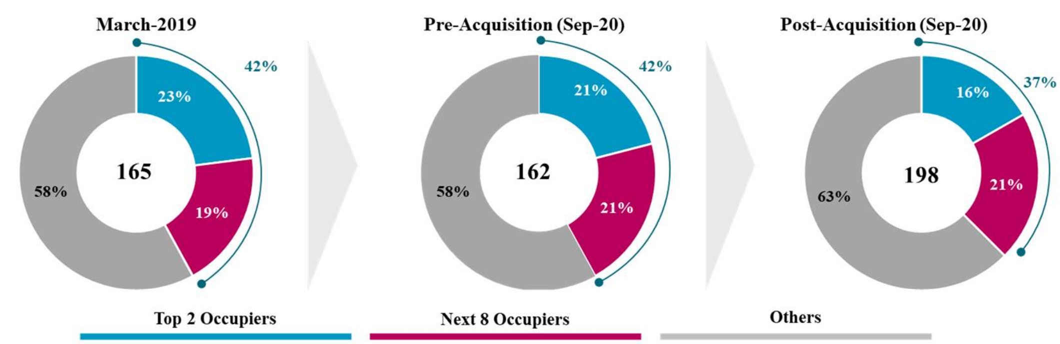
Cognizant Google(2) Tech Mahindra NTT Nokia Swiss RE PwC ansr DXC.technology Cerner JP Morgan(3) Facebook

Wells Fargo Flipkart Halliburton JP Morgan(3) Swiggy Sony MathWorks CSG Software AG Xiaomi Acuity EXL Empower Cisco

Notes: Basis Gross Rentals for the month of September 2020 Actual legal entity names of the occupiers may differ from the names referred above; (1) Assuming the completion of the ETV Acquisition; (2) JP Morgan is a current occupier of Embassy REIT and also an occupier in Embassy TechVillage; ©2018 Google LLC All rights reserved. Google and the Google logo are registered trademarks of Google LLC

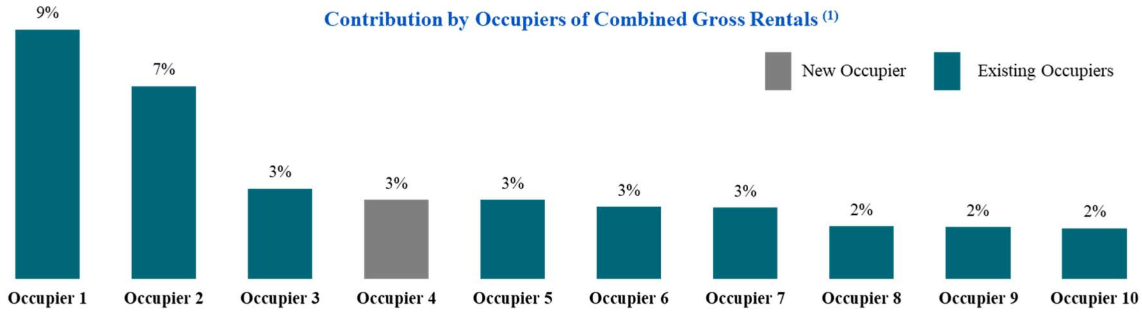
While the concentration of Top 10 occupiers has been consistently reducing since listing, this ETV Acquisition will enable Embassy REIT to further reduce the concentration of its Top 10 occupiers with their contribution to Gross Rentals decreasing from 42% to 37%.

Gross Rental Contribution by Occupiers (1)



Notes: (1) Basis gross rentals for the months of March 2019 and September 2020 respectively

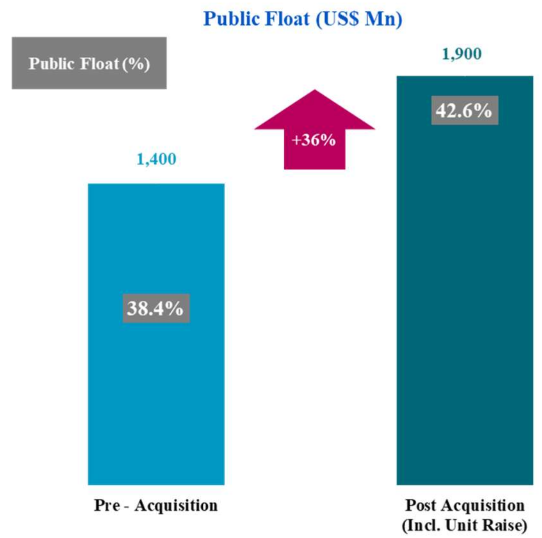
ETV Acquisition will enable Embassy REIT to change the occupier mix with no single occupier contributing to more than 10.0% of the Gross Rentals.



Notes: (1) Basis gross rentals for the month of September 2020

Increases Embassy REIT's Public Float Immediately Post Acquisition

The acquisition will increase Embassy REIT's public float from 38.4% to 42.6% (this excludes the Units allotted to the Third-party Shareholders). The illustrative public float estimates are described below:



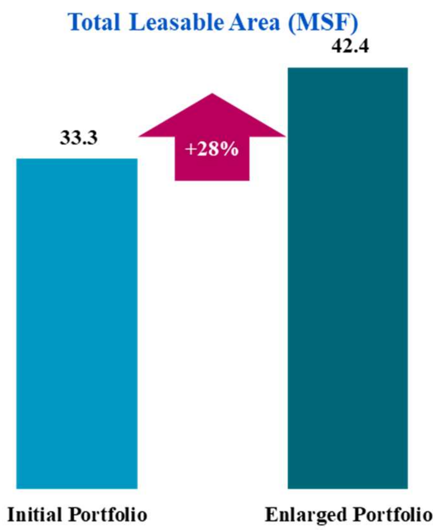
Notes: Assuming an Institutional Placement aggregating to ₹ 37,000 mn and a preferential allotment to the Third-party Shareholders aggregating to ₹ 23,072 mn. Market capitalization computed as Units outstanding as of September 30, 2020 X VWAP: ₹ 349.32. VWAP computed basis BSE (exchange with highest trading volume for last 26 weeks) data for last 30 trading days up to November 11, 2020 (the date of intimation to Stock Exchanges for the board meeting scheduled for November 17, 2020). The public float of the units of the Embassy REIT may fluctuate due to multiple reasons and the price of Units indicated above may not be indicative of any future trading price.. Pre-Acquisition public float is based on unitholding pattern as of September 30, 2020. Post-Acquisition public float excludes the preferential allotment units issued to the Third-party Shareholders.

C. Post ETV Acquisition Pro Forma Metrics

The Pro Forma Metrics of Embassy REIT presented below are based on the various adjustments described in "*Basis of Presentation of Pro Forma and Certain Other Information*" above. Please carefully review the various assumptions and caveats set out herein and therein. Please also refer to "*Section L – Pro Forma – Break Down*" below for further details.

Increase in Embassy REIT's size and Gross Asset Value

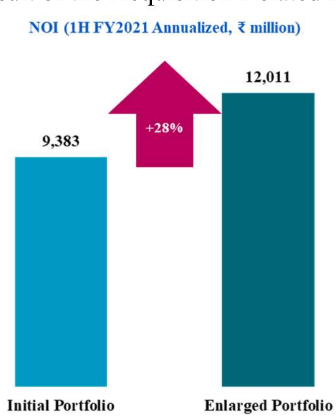
The acquisition will result in a c. 28% increase in its Total Leasable Area and a 30% increase in Embassy REIT's Gross Asset Value. The acquisition will also result in an increase in MTM potential from 28% currently to 29% post acquisition as well as an increase in its WALE from 6.5 years currently to 7.2 years post acquisition. Further, Embassy REIT's gross rentals from multinational occupiers would increase from 78% currently to 80% post acquisition. The following charts show the impact of the acquisition, as of September 30, 2020:

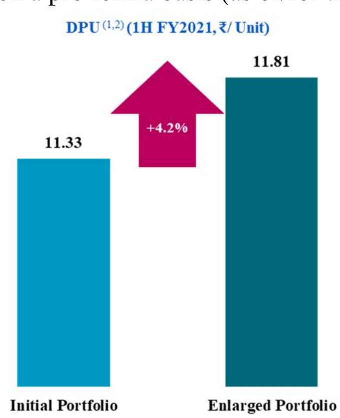


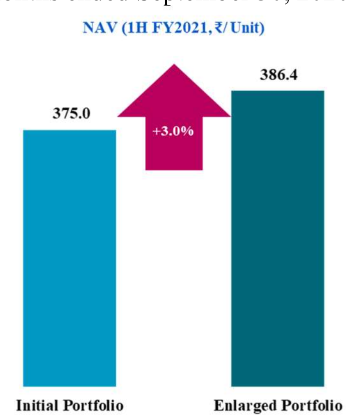
Notes: Initial Portfolio GAV per September 30, 2020 valuation undertaken by iVAS Partners, represented by Mr Manish Gupta, independent valuer of the Embassy REIT, with value assessment services provided by CBRE South Asia Private Limited. Enlarged Portfolio GAV = Initial Portfolio GAV + Embassy TechVillage' GAV based on average of the two independent valuation reports (₹ 102,555 Mn.)

NOI, DPU and NAV accretive

The Embassy REIT proposes to undertake the ETV Acquisition at a 4.6% discount to the average of the two independent valuations. The following charts show the accretion to Embassy REIT's NOI, DPU and NAV per Unit as a result of the Acquisition Related Events, on a pro forma basis (as of/for the six months ended September 30, 2020):

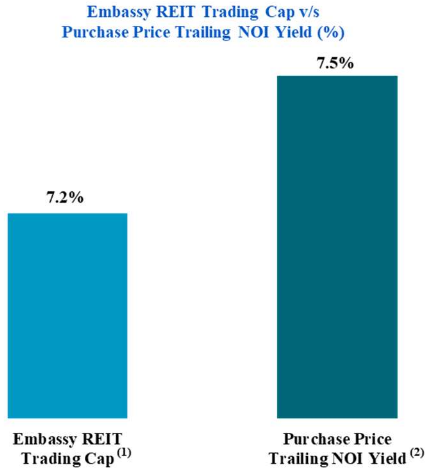






Notes:(1) Assumes preferential allotment of ₹ 356.7 per unit for ₹ 23,072 mn, units issued to Third-party Shareholders and Institutional Placement price of ₹ 356.7 per unit for ₹ 37,000 mn; (2) DPU accretion includes pro-rata rental support on c. 1.1 msf and assumes up to ₹ 36,411 mn debt re financed at 7.25% per annum with quarterly payments with no amortization

Additionally, the following chart shows the purchase price trailing NOI Yield (as of/for the six months ended September 30, 2020) for the proposed ETV Acquisition of 7.5% and compares it to the Embassy REIT current trading cap.

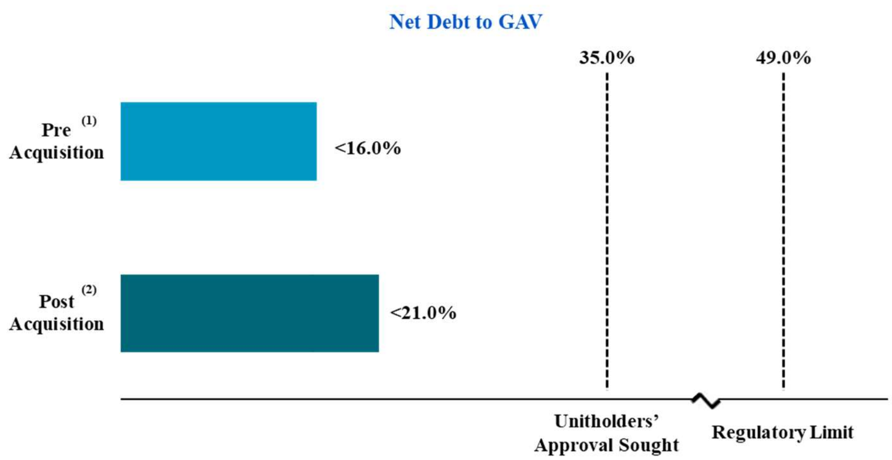


Notes:

(1)Embassy REIT current trading cap rate calculated as ratio of annualized 1H FY2021 adjusted NOI (REIT NOI + 50% NOI of Embassy GolfLinks), divided by TEV of completed portion. TEV = Market Capitalization + Net debt and other adjustments. Market Capitalization computed as Units Outstanding as of September 30, 2020 X 30 trading day VWAP as per BSE as of November 11, 2020;

(2) Purchase Price Trailing NOI Yield calculated as ratio of annualized 1H FY2021 NOI of ETV divided by Purchase Price of ₹87,000 mn multiplied by percentage of completed portion of GAV of ETV including the associated CAM business (as per Independent valuation undertaken by iVAS Partners, represented by Mr Manish Gupta (independent valuer of the Embassy REIT) with value assessment services provided by CBRE South Asia Private Limited.). The combined NOI yield of the Embassy REIT and ETV Acquisition on a pro forma basis is 7.3% as of/for the six months ended September 30, 2020.

Further, Embassy REIT's Pro Forma Net Debt to GAV is expected to be less than 21%, which is well below the regulatory limit of 49.0%, as shown in the chart below:



Notes

(1) Actual Net Debt to GAV of Embassy REIT as of September 30, 2020

(2) Pro Forma Net Debt to GAV of the Enlarged Portfolio of Embassy REIT as of September 30, 2020 taking into account the Debt Raise and the GAV of the Enlarged Portfolio based on independent valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services by CBRE, as of September 30, 2020

Based on the above, the Pro Forma Net Debt to GAV of Embassy REIT allows a headroom of indebtedness up to ₹127 billion prior to reaching the maximum prescribed regulatory limit of 49.0%.

FOR ILLUSTRATIVE PURPOSES ONLY: The table below sets out a sensitivity analysis of Embassy REIT's DPU and NAV accretion at various quantum and prices for the issue of Units in the Institutional Placement and corresponding amounts of Debt Raise:

% DPU accretion / % NAV accretion

Sensitivity (₹ Bn.) Institutional Placement/ Debt Raise	**ISSUE PRICE**				
	@₹ 330.0	**@₹ 340.0**	**@₹ 350.0**	**@₹ 356.7**	**@₹ 370.0**
37.0 / 36.4	3.3% / 2.1%	3.6% / 2.5%	4.0% / 2.8%	**4.2% / 3.0%**	4.6% / 3.4%
44.4 / 29.0	3.3% / 1.8%	3.7% / 2.2%	4.1% / 2.6%	4.4% / 2.9%	4.9% / 3.3%
51.8 / 21.5	3.4% / 1.5%	3.9% / 1.9%	4.3% / 2.4%	4.6% / 2.7%	5.2% / 3.2%

Notes: Red box indicates base case assuming Institutional Placement of ₹ 37.0 billion at ₹ 356.7 per Unit and Debt Raise of ₹ 36.4 billion. The above sensitivity assumes,

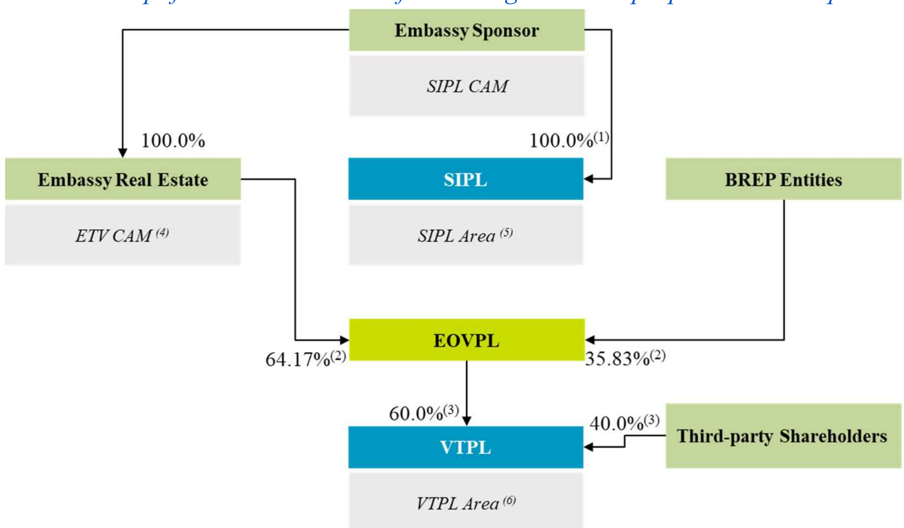
(1) Debt Raise at 7.25% per annum with quarterly payments with no amortization
(2) Preferential allotment of ₹ 23,072 mn to the Third-party Shareholders at ₹ 356.7 per Unit
(3) Issue price sensitivity is applicable to the Institutional Placement
(4) Initial Portfolio NAV is ₹ 375.02 per Unit

The issue prices, equity and debt raise ranges in the above table are indicative and there can be no assurance that the Institutional Placement will be undertaken or that the actual issue price of the Units in the Institutional Placement will be within this range or that the Institutional Placement or Debt Raise will be undertaken at all or that the amount of Institutional Placement or Debt Raise will be within such range as illustrated in table above.

D. Structure of the ETV Acquisition

The charts below show the current structure of ETV Target Entities that Embassy REIT is acquiring and the structure post the ETV Acquisition:

Current simplified structure chart of ETV Target Entities proposed to be acquired



Notes:

(1) Includes one share held jointly with Mr. Jitendra Virwani

(2) Represents the voting rights of the shareholders. Embassy Real Estate and the BREP Entities currently own 64.17% and 35.83%, respectively, of the equity share capital of EOVPL. As part of the *inter-se* arrangement between the shareholders of EOVPL, prior to the Tranche I Closing, EOVPL will have two classes of shares; namely Class A equity shares held by Embassy Real Estate and equity shares held by the BREP Entities, with each class having different voting rights and dividend/economic rights and which are all proposed to be acquired by the Embassy REIT. Please see "*Structure of the ETV Acquisition*" for further details.

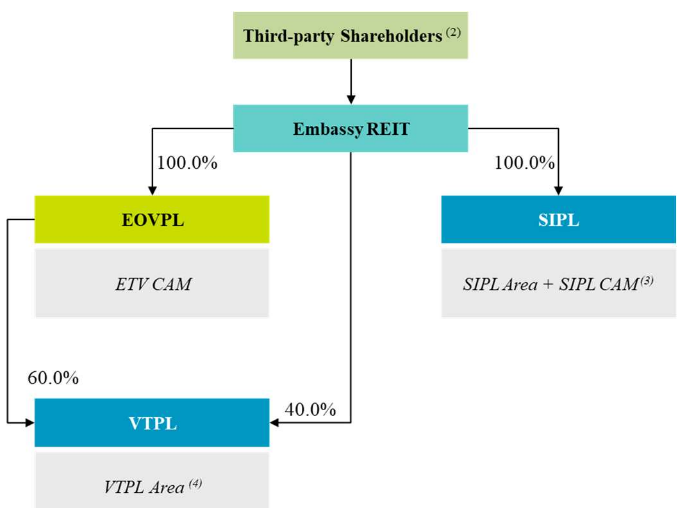
(3) Represents the voting rights of the shareholders. The equity share capital of VTPL will be divided into two classes and the Third-party Shareholders hold Class A equity shares with differential economic interest.

(4) Embassy REIT proposes to acquire the ETV CAM business as part of the ETV Acquisition.

(5) SIPL is developing approximately 8.0 acres comprising approximately 1.1 msf of under-construction area in ETV, which is already fully pre-leased to JP Morgan.

(6) VTPL is developing approximately 76.05 acres comprising approximately 6.1 msf of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys in ETV.

Post-acquisition (1) simplified structure chart (only relevant entities shown)



Notes:

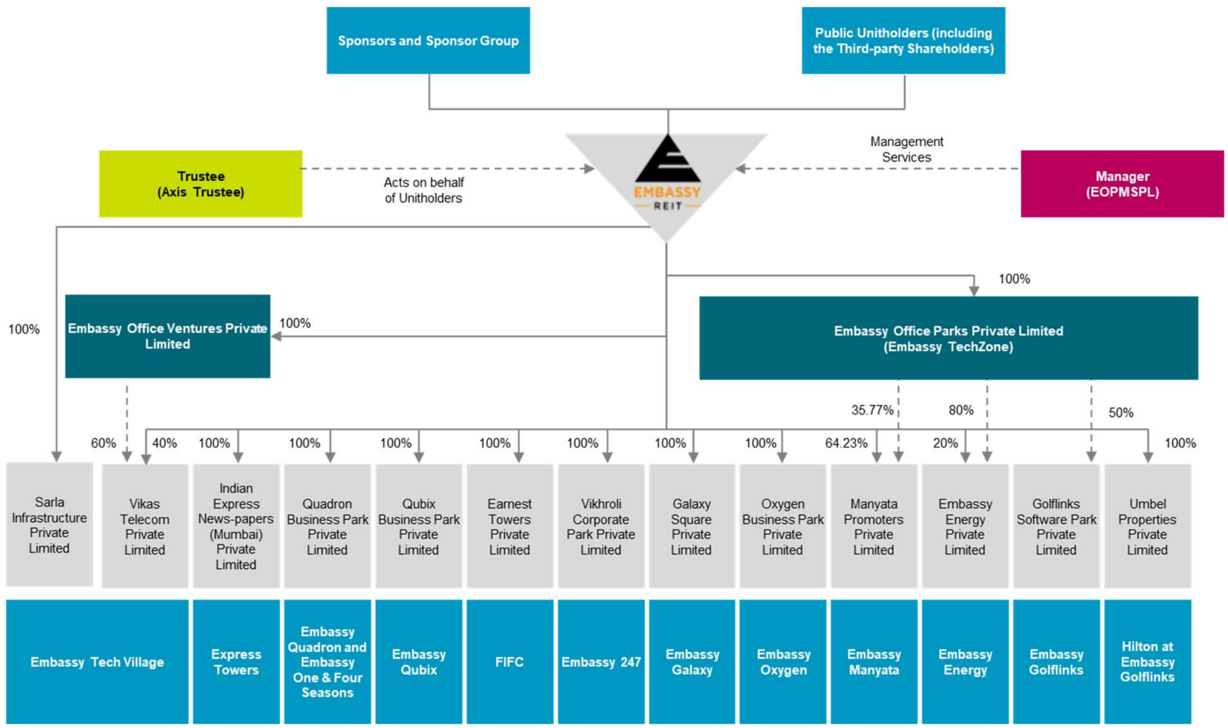
(1) This assumes that the ETV Acquisition is completed in a single tranche and the BREP Entities and the Embassy Sponsor transfer their entire shareholding in EOVPL and SIPL, respectively, for cash consideration

(2) The Third-party Shareholders will receive Units in the Preferential Issue as consideration for the transfer of their shareholding in VTPL

(3) The SIPL Area and the SIPL CAM together constitute the SIPL Business. SIPL is developing approximately 8.0 acres comprising approximately 1.1 msf of under-construction area in ETV, which is already fully pre-leased to JP Morgan.

(4) VTPL is developing approximately 76.05 acres comprising approximately 6.1 msf of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys in ETV.

Illustrative Embassy REIT structure chart post completion of the ETV Acquisition



Notes:

1. This assumes that the ETV Acquisition is completed in a single tranche and the BREP Entities and the Embassy Sponsor transfer their entire shareholding in EOVPL and SIPL, respectively, for cash consideration.
2. The Third-party Shareholders will receive Units in the Preferential Issue as consideration for the transfer of their shareholding in VTPL.
3. Balance 50% of GolfLinks Software Park Private Limited is owned by another joint venture partner.
4. The 100% owned entities are/will be held jointly with nominee shareholders for the Embassy REIT.
5. This does not include restructuring pursuant to the composite scheme of arrangement among MPPL, EOPPL and Embassy Pune TechZone Private Limited (currently a wholly-owned subsidiary of EOPPL).Upon the scheme becoming effective: (i) MPPL will become a 100% directly-held holding company of the Embassy REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL, and 50% of the share capital of GLSP; and (ii) Embassy Pune TechZone Private Limited (currently a wholly-owned subsidiary of EOPPL) will become a 100% directly-held SPV of the Embassy REIT, holding Embassy TechZone.

E. Related Parties

The ETV Acquisition (other than the acquisition of 40% of VTPL from the Third-party Shareholders) is a related party transaction under the REIT Regulations.

The sellers of the ETV Business and VTPL, other than the Third-party Shareholders, are (i) the BREP Entities, which are Blackstone entities, if the Proposed Restructuring is completed by the Proposed Restructuring Date; or (ii) the BREP Entities and Embassy Real Estate, a member of the Embassy group, if the Proposed Restructuring is not effective by the Proposed Restructuring Date.The seller of the SIPL Business is the Embassy Sponsor (including the share held jointly with Mr. Jitendra Virwani in SIPL).

The ETV Acquisition will also involve certain ancillary arrangements, including with related parties, including redemption of optionally convertible debentures, redeemable preference shares other arrangements, certain settlements, adjustments and payments, as part of the conditions precedent, closing actions and post-closing actions. For further details, see "*Key terms of the ETV Acquisition Agreements*" below.

F. Valuation of the assets and Fairness Opinion

The tables below show the agreed enterprise value for the acquisition and the corresponding discount to the average valuations by the two Independent Valuers (as defined below):

The ETV Acquisition

Agreed Enterprise Value for the ETV Acquisition (₹ million)	97,824
Discount to Independent Valuers' Average Valuation	4.6%

The Manager has obtained reports from valuers independent from each other, iVAS Partners, represented by Mr. Manish Gupta (with value assessment services provided by CBRE South Asia Private Limited) and Mr. Shubhendu Saha (Cushman & Wakefield India Private Limited has reviewed the assumptions and the methodologies used for this valuation in accordance with applicable standards)to provide valuations for the ETV Acquisition. The average ready reckoner values of ETV is ₹87,500 per square meter on developed land.

Valuation Methodology

The valuations have been conducted in accordance with the RICS Valuation – Global Standards 2020[16] and in compliance with the International Valuation Standards (IVS). The valuation of the office component, both completed as well as under construction components, has been arrived at through the Discounted Cash Flow Method (using rent reversion approach) over a 10 year period with suitable adjustments to rentals, other revenue, recurring operational expenses and other operating assumptions. The valuation of the approximately 1.1 msf pre-leased under construction office component (relating to JP Morgan built-to-suit) considers the rental support[17] agreed to be provided by the Embassy Sponsor. The hotel component has been valued using Discounted Cash Flow Method.

For further details, please see "*Section IV – Valuation Reports*" below.

HSBC Securities and Capital Markets (India) Private Limited ("**HSBC**") has issued a fairness opinion to the independent directors of Embassy Office Parks Management Services Private Limited, the Manager to the Embassy Office Parks REIT, and opined that, subject to the assumptions and limitations of the scope, the proposed value of the Acquisition is fair, from a financial point of view, to the public unitholders of the Embassy Office Parks REIT.Further, it may be noted that HSBC and its affiliates have provided various services (including financing through its affiliates), to the Embassy REIT, the targets and their respective affiliates, and may continue to provide such services in the future.

[16] *Red Book Global Incorporating the IVSC International Valuation Standards issued in November 2019, effective from 31 January 2020.*
[17] *Block 9 JPM pre-lease BTS, valuation assuming requisite contractual agreement is in effect at the date of acquisition.*

G. Key terms of the ETV Acquisition Agreements

Acquisition Agreements

The shareholders of the ETV Target Entities, comprising the Embassy Sponsor, Embassy Real Estate, the BREP Entities and the Third-party Shareholders (the "**Sellers**") have entered into the following agreements, each dated November 17, 2020, with the Embassy REIT (acting through the Manager and the Trustee) for the sale of the equity shares held by the Sellers in such entities (collectively, the "**Acquisition Agreements**"):

- the Embassy Sponsor and Embassy Real Estate have entered into an agreement for the sale of the equity shares held in EOVPL (EOVPL in turn owns 60% of the equity share capital of VTPL);
- the Embassy Sponsor has entered into a separate agreement for the sale of up to 100% of the equity shares of SIPL (including shares held jointly); and
- each of the BREP Entities and the Third-party Shareholders have entered into separate agreements for the sale of the equity shares held by them in EOVPL and VTPL, respectively.

The purchase price for the acquisition of the ETV Target Entities will be based on: (i) a total enterprise value of the ETV Business of ₹87,000 million, and (ii) a total enterprise value of the SIPL Business of ₹10,824 million, each of which is subject to adjustments at Tranche I Closing and Tranche A Closing, respectively. Further, in relation to SIPL, the purchase price above includes consideration of up to ₹350 million which shall be payable to the Embassy Sponsor in cash subject to certain conditions and timeline agreed between the parties.

- The consideration payable to Embassy Real Estate at Tranche I Closing will be in cash.
- The consideration payable to the Third-party Shareholders will be in the form of Units in the Preferential Issue. The number of Units to be allotted to the Third-party Shareholders pursuant to the Preferential Issue will be determined subject to applicable SEBI guidelines.
- The acquisition of equity shares of EOVPL from BREP Entities may be undertaken in tranches, subject to the availability of funds raised from the Institutional Placement or by other methods after discharge of the consideration in respect of EOVPL to Embassy Sponsor/Embassy Real Estate, as applicable. The consideration payable to BREP Entities will be in the form of cash for Tranche I Closing and Tranche II Closing (unless the parties mutually agree to consideration in the form of units or a combination of cash and units for Tranche II Closing). If Tranche II Closing does not occur by June 30, 2021 (or such other extended date mutually agreed between the parties), the BREP Entities will have the right to seek the Embassy REIT to purchase the remaining equity shares in EOVPL for consideration in the form of units, subject to applicable SEBI guidelines including unitholder approval, as may be applicable.
- The acquisition of equity shares of SIPL from the Embassy Sponsor may be undertaken in tranches, subject to the availability of funds raised from the Institutional Placement or by other methods after discharge of the consideration in respect of VTPL and EOVPL to Embassy Sponsor/Embassy Real Estate and the BREP Entities, as applicable, provided that the Tranche A Closing shall comprise not less than 51% of the equity share capital of SIPL including management and operational control over SIPL. The consideration payable to the Embassy Sponsor will be in the form of cash for Tranche A Closing and Tranche B Closing (unless the parties mutually agree to consideration in the form of units or a combination of cash and units for Tranche B Closing). If Tranche B Closing does not occur by June 30, 2021 (or such other extended date mutually agreed between the parties), the Embassy Sponsor will have the right to seek the Embassy REIT to purchase the remaining equity shares in SIPL for consideration in the form of units, subject to applicable SEBI guidelines including unitholder approval, as may be applicable.

The obligation of the Embassy REIT to acquire the equity shares of the ETV Target Entities is conditional upon the completion (unless waived) of certain conditions precedent including, *inter-alia*: (a) receipt of unitholders', regulatory, lender and third-party approvals, as applicable; (b) completion of the Institutional Placement to raise a minimum quantum of funds required to acquire 60.17% of the economic interest of EOVPL, redeem certain outstanding securities held by the Embassy group in EOVPL and pay the interest accrued on certain convertible securities issued by EOVPL to the BREP Entities; (c) execution of other transaction documents to which the Sellers and/or the ETV Target Entities are a party, including, *inter-alia*, in relation to the land leased by VTPL to SIPL, management of food court and retail spaces in ETV, the proposed metro line and CAM services for ETV (including vendor management services); (d) settlement of certain related party transactions including redemption of certain outstanding securities; (e) confirmation on no outstanding claims or tax proceedings against the Sellers that could affect the sale of the equity shares; and (f) absence of a material adverse effect.

The Sellers have given certain representations and warranties, including in relation to title to equity shares of the ETV Target Entities. The Embassy REIT has also received certain other warranties relating to ETV, including title to land. The Embassy REIT will be indemnified for certain breaches and identified indemnity items. These indemnities are subject to maximum amounts, survival periods and deductibles.

If all equity shares of EOVPL held by the BREP Entities are not purchased at the Tranche I Closing, the BREP Entities and the Embassy REIT may mutually agree, prior to Tranche I Closing (unless extended mutually), to certain limited rights for protection of the economic value and exit rights of the BREP Entities' stake in EOVPL, including right to appoint a director until such time that the BREP Entities hold any equity shares in EOVPL, provided that the Embassy REIT will have management and operational control over EOVPL. In such a case, BREP Entities will also be entitled to appoint an observer (who would not have the right to vote at the meetings).Similarly, if all equity shares of SIPL held by the Embassy Sponsor are not purchased at the Tranche A Closing, the Embassy Sponsor and the Embassy REIT may mutually agree, prior to the Tranche A Closing (unless extended mutually), to certain limited rights for protection of the economic value and exit rights of the Embassy Sponsor's stake in SIPL including right to appoint a director until such time that the Embassy Sponsor holds any equity shares in SIPL, provided that the Embassy REIT will have management and operational control over SIPL. In such a case, the Embassy Sponsor will also be entitled to appoint an observer (who would not have the right to vote at the meetings).

The closing under the relevant Acquisition Agreements may occur simultaneously or at different closings, as agreed among the parties, subject to certain escrow arrangements. The Acquisition Agreements may be terminated prior to closing: (i) by mutual consent of the parties; (ii) if any of the other Acquisition Agreements is terminated; (iii) if the closing does not occur on or prior to January 31, 2021 (which may be extended by mutual agreement); or (iv) in case of a material breach by a party.

Acquisition of the ETV CAM Business

Embassy Real Estate and EOVPL have entered into a business transfer agreement dated November 17, 2020 in relation to the transfer and acquisition of the ETV CAM Business as on going concern where the Proposed Restructuring is not effective based on an enterprise value of ₹4,600 million of the ETV CAM Business (such agreement, the "**ETV CAM BTA**").

The consideration for acquisition of the ETV CAM Business will be paid in the form of issuance of unlisted, unsecured, redeemable non-convertibles debentures of EOVPL to Embassy Real Estate and assumption of identified liabilities of Embassy Real Estate relating to the ETV CAM Business by EOVPL.

The obligation of the Embassy REIT to acquire the ETV CAM Business at Tranche I Closing is conditional upon the completion (unless waived) of certain conditions precedent including, *inter-alia*, the closing of the Embassy Acquisition Agreement and the receipt of unitholders' approval.

Embassy Real Estate and Embassy Sponsor will render all reasonable assistance and co-operation to facilitate the implementation of the agreement and to enable the ETV CAM Business to continue operations on a going concern basis.

Embassy Real Estate and Embassy Sponsor have given certain representations and warranties, including in relation to the ETV CAM Business. EOVPL will be indemnified for certain breaches and identified indemnity items, including in relation to any tax claims arising due to such acquisition, by Embassy Real Estate, Embassy Sponsor and JV Holding

Private Limited (a shareholder of the Embassy Sponsor) on a joint and several basis. Certain indemnities are subject to maximum amounts and survival periods as agreed and detailed in the ETV CAM BTA.

The ETV CAM BTA may be terminated prior to closing (i) by mutual consent of the parties; (ii) by EOVPL, if the Embassy Acquisition Agreement is terminated; or (ii) by any party, if the closing does not occur on or prior to January 31, 2021 (which may be extended by mutual agreement). Further, the ETV CAM BTA will automatically terminate if the Proposed Restructuring becomes effective by the Proposed Restructuring Date.

Common area maintenance services in relation to SIPL

Embassy Sponsor, SIPL and VTPL have entered into an assignment agreement that is effective from the Tranche A Closing, pursuant to which SIPL shall be responsible for providing maintenance services at the common areas in respect of the under-construction area being developed by SIPL in Embassy TechVillage. Such assignment is conditional upon (a) execution of an agreement pursuant to which Embassy Sponsor is identified as the service provider for maintenance services at the common areas in respect of the under-construction area being developed by SIPL in Embassy TechVillage and (b) completion of the Tranche A Closing.

Management of Embassy TechVillage

In addition, the following agreements in relation to the management framework for ETV are proposed to be executed prior to the closing of the ETV Acquisition:

- development management agreement among VTPL, SIPL and the Embassy Sponsor for the provision of development management, construction and completion services by the Embassy Sponsor for the under-construction portions of ETV held by VTPL and SIPL;
- property management agreement between VTPL and the Manager for the provision of property management services by the Manager for the portions of ETV held by VTPL; and
- facility management agreement between EOVPL and ESPL for the provision of facility management services by ESPL for the portions of ETV developed and operated by VTPL.

The trademark license agreement dated September 20, 2018, entered into among Embassy Shelters Private Limited ("**Embassy Shelters**"), a member of the Embassy group (as the licensor), the Manager (acting in its capacity as manager to the Embassy REIT) and the Trustee (acting in its capacity as trustee to the Embassy REIT) is also proposed to be amended to include a license for the Embassy REIT (through the Trustee and the Manager) to use certain intellectual property in relation to "Embassy TechVillage Bangalore" and consequently the existing trademark agreement between VTPL and Embassy Shelters is proposed to be terminated.

Rental support agreement

In relation to the under-construction area at the Embassy TechVillage being developed by SIPL on a built-to-suit basis and pre-leased to JP Morgan, given that the Embassy REIT proposes to acquire this property similar to a rent-generating asset, a rental support agreement is proposed to be executed prior to the Tranche A Closing among the Embassy Sponsor, the Embassy REIT and SIPL for provision of rental support aggregating to ₹1,441 million to SIPL in the manner agreed among the parties. Such rental support will be provided by the Embassy Sponsor to SIPL until the quarter ending March 31, 2022 (after which the lease rentals are expected to commence from this property).

Arrangements with Embassy Whitefield in relation to the Back Land

In relation to the Back Land, a letter agreement dated November 17, 2020 has been executed among the Manager, the BREP Entities, Amita Garg, the Third-party Shareholders and Embassy Whitefield, effective from the date on which the Embassy REIT acquires 100% of EOVPL and VTPL, pursuant to which the BREP Entities, Amita Garg and the Third-party Shareholders will grant a right of first offer in favor of the Embassy REIT in respect of the Back Land. Further, the following agreements are proposed to be executed prior to the closing of the ETV Acquisition:

- lease deed between VTPL and Embassy Whitefield for the lease of the Back Land to Embassy Whitefield for a period of 30 years (renewal for two additional terms of 30 years each);
- co-developer agreement between VTPL and Embassy Whitefield for the development of IT/ITeS building by Embassy Whitefield on the co-developer land; and
- construction work-in-progress deed of assignment between VTPL and Embassy Whitefield for the assignment of certain costs and expenses incurred by VTPL to Embassy Whitefield in relation to the pre-construction preparatory work in respect of the Back Land.

H. Structure of the Unit Capital Fund Raising

Proposed funding for the ETV Acquisition

The Manager intends to finance the equity value of the ETV Acquisition through a combination of (i) amounts raised through the Institutional Placement and (ii) the Preferential Issue to the Third-party Shareholders in accordance with the terms of the relevant acquisition agreements.

Institutional Placement and Preferential Issue

The Manager seeks to take an enabling resolution to raise up to ₹80,000 million from the Institutional Placement. The issue price for the Institutional Placement will be determined in accordance with the SEBI Institutional Placement and Preferential Issue Guidelines by the Manager upon the launch of the Institutional Placement. The actual number of Units to be issued pursuant to the Institutional Placement will depend on the aggregate amount of proceeds to be raised from the Institutional Placement and the issue price.

The issue price of the Units issued pursuant to the Institutional Placement may differ from the issue price of Units issued pursuant to the Preferential Issue.

Please refer to *"Brief Overview of Regulatory Framework for REIT Valuation, Preferential Issue and Institutional Placement"* for a brief overview of key regulatory provisions applicable to the Institutional Placement and Preferential Issue.

The Preferential Issue shall be of up to 65,579,400 Units. The Preferential Issue will be made at a price of ₹356.7 per Unit determined in accordance with the SEBI Institutional Placement and Preferential Issue Guidelines. Actual units issued at the time of Preferential Issue may differ based on certain adjustments to the enterprise value in relation to net debt, working capital and other adjustments, as agreed among the parties, at the time of closing. The Preferential Issue is required to be completed within 15 days from the date of the EM or the receipt of all applicable regulatory, governmental or statutory body/agency approvals, whichever is later.

The Manager will determine the timing, split and structure of the Unit Capital Fund Raising and the debt financing at its discretion, subject to the receipt of Unitholder approval, regulatory approvals, market conditions, closing conditions and other relevant factors.

In addition, the Embassy REIT or any of the Asset SPVs or the Investment Entity may consider debt financing through such modes as permitted under applicable law, in one or more tranches, which would be utilized for redeeming and/or refinancing certain outstanding indebtedness of the ETV Target Entities and general purposes. The size, structure and timing of any such debt issuance will be determined by the Manager at its discretion, subject to market conditions and other factors.

Other than as described in "*The ETV Acquisition*" and "*Key Terms of the ETV Acquisition Agreements*" above, the above transactions are not conditional upon the Embassy REIT receiving any minimum subscription. The Embassy REIT does not propose to avail any borrowings from its related parties in connection with the proposed transactions described above.

I. Approvals Required

The ETV Acquisition is subject to closing conditions including obtaining consents, unitholder approvals and regulatory approvals (as applicable), including the approval of the stock exchanges for the Preferential Allotment and the Institutional Placement.

J. Unitholding pattern of Embassy REIT

Pre-Issue Unitholding Pattern as of September 30, 2020

Category	Category of Unitholder	No. of Units held	As a % of Total Out-standing Units	No. of units mandatorily held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held
(A)	**Sponsor(s) / Manager and their associates/related parties and Sponsor Group**						
(1)	**Indian**	**0**	**0.00**				
(a)	Individuals / HUF	0	0.00				
(b)	Central/State Govt.	0	0.00				
(c)	Financial Institutions/Banks	0	0.00				
(d)	Any Other Embassy Property Developments Private Limited - (Body Corporate) Sponsor	115,484,802	14.97	115,484,802#	100.00	115,484,802	100.00
	Sub- Total (A) (1)	**115,484,802**	**14.97**	**115,484,802**	**100.00**	**115,484,802**	**100.00**
(2)	**Foreign**						
(a)	Individuals (Non-Resident Indians / Foreign Individuals)	0	0.00				
(b)	Foreign government	0	0.00				
(c)	Institutions	0	0.00				
(d)	Foreign Portfolio Investors	0	0.00				
(e)	Any Other						
	a. BRE/ Mauritius Investments - Sponsor (Body Corporate)	84,621,955	10.97	77,431,534#	91.50	0	0.00
	b. Sponsor Group @ (Bodies Corporate)	275,028,033	35.64	0	0.00	273,866,980	99.58
	Sub- Total (A) (2)	**359,649,988**	**46.61**	**77,431,534**	**91.50**	**273,866,980**	**99.58**
	Total unit holding of Sponsor &	**475,134,790**	**61.57**				

Category	Category of Unitholder	No. of Units held	As a % of Total Out-standing Units	No. of units mandatorily held		Number of units pledged or otherwise encumbered	
				No. of units	As a % of total units held	No. of units	As a % of total units held
	Sponsor Group (A) = (A)(1) + (A)(2)			**192,916,336#**			

Category	Category of Unitholder	No. of Units held	As a % of Total Out- standing Units
(1)	**Institutions**		
(a)	Mutual Funds	13,313,200	1.73
(b)	Financial Institutions/Banks	-	0.00
(c)	Central/State Govt.	-	0.00
(d)	Venture Capital Funds	-	0.00
(e)	Insurance Companies	2,323,000	0.30
(f)	Provident/pension funds	238,800	0.03
(g)	Foreign Portfolio Investors	199,844,600	25.90
(h)	Foreign Venture Capital Investors	-	0.00
(i)	Any Other:- Alternative Investment Fund	1,369,400	0.18
	Sub- Total (B) (1)	**217,089,000**	**28.13**
(2)	**Non-Institutions**		
(a)	Central Government/State Governments(s)/President of India	-	0.00
(b)	Individuals	72,800,986	9.43
(c)	NBFCs registered with RBI	584,400	0.08
(d)	Any Other (specify)		0.00
i.	Trusts	17,600	0.00
ii.	Non-Resident Indians	978,400	0.13
iii.	Clearing Members	215,354	0.03
iv.	Body Corporates	4,844,813	0.63
	Sub- Total (B) (2)	**79,441,553**	**10.29**
	Total Public Unit holding (B) = (B)(1)+(B)(2)	**296,530,553**	**38.43**
	Total Units Outstanding (C) = (A) + (B)	**771,665,343**	**100.00**

*#Pursuant to Regulation 11(3)(a) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, the sponsors and sponsor group are required to collectively hold a minimum of 25% of the total units of the Embassy REIT after initial offer on a post-issue basis for a period of three years. Embassy Property Developments Private Limited ("**Embassy Sponsor**") holds 14.97% and BRE/ Mauritius Investments ("**Blackstone Sponsor**") holds 10.03% of total outstanding units (together constituting the minimum holding of 25%).*

Post-Issue Unitholding Pattern

Assuming consideration for acquiring the Third-party Shareholders' equity stake in VTPL is through a Preferential Issue of Units (without showing the impact of the Institutional Placement)

	Category of Unitholder	Pre-Preferential Issue Unitholding[1]		Post-Preferential Issue Unitholding[2] [3] [4]	
		No of Units	**(%)**	**No of Units**	**(%)**
(A)	**Sponsor(s)/ Manager and their associates/ related parties and Sponsor Group**				
(1)	**Indian**	**115,484,802**	**14.97%**	**115,484,802**	**13.81%**
	Bodies Corporate	115,484,802	14.97%	115,484,802	13.81%
(2)	**Foreign**	**359,649,988**	**46.61%**	**359,649,988**	**43.00%**
	Bodies Corporate	359,649,988	46.61%	359,649,988	43.00%
(1) + (2)	**Total Unitholding of Sponsors and Sponsor Group**	**475,134,790**	**61.57%**	**475,134,790**	**56.81%**
(B)	**Public Holding**	**296,530,553**	**38.43%**	**361,212,553**	**43.19%**
	Mr. Vasudev Garg	-	0.00%	28,460,000	3.40%
	Mr. Chaitanya Garg	-	0.00%	28,459,800	3.40%
	Ms. Radhika Garg	-	0.00%	7,762,200	0.93%
	Public Unitholding	296,530,553	38.43%	296,530,553	35.46%
	Total Units Outstanding	**771,665,343**	**100.0%**	**836,347,343**	**100.0%**

Notes:

1) As of September 30, 2020
2) The table above assumes a Unit capital issuance of ₹23,072 million comprising 64,682,000 Units through the Preferential Issue at a price of ₹356.70 per Unit to the Gargs. Units will be allotted in lots of 200. Balance consideration to the Gargs will be paid in cash through internal accruals. The table does not reflect the impact of the proposed Institutional Placement.
3) The units issued presented in the table are for illustrative purposes only and actual units issued at the time of Preferential Issue may differ based on certain adjustments to the enterprise value in relation to net debt, working capital and other adjustments, as agreed among the parties, at the time of closing.
4) The table above assumes that there are no changes to the enterprise value under the definitive agreements. Please note that the enterprise value under the agreements is subject to certain adjustments in relation to net debt, working capital and other adjustments, as agreed among the parties.

Assuming consideration for acquiring the Third-party Shareholders' equity stake in VTPL is through a Preferential Issue of Units and assuming an Institutional Placement aggregating to ₹37,000 million [2]

	Category of Unitholder	Pre-Transaction Unitholding[1]		Post-Transaction Unitholding[2] [3] [4] [5]	
		No of Units	**(%)**	**No of Units**	**(%)**
(A)	**Sponsor(s)/ Manager and their associates/ related parties and Sponsor Group**				
(1)	**Indian**	**115,484,802**	**14.97%**	**115,484,802**	**12.28%**

	Bodies Corporate	115,484,802	14.97%	115,484,802	12.28%
(2)	**Foreign**	**359,649,988**	**46.61%**	**359,649,988**	**38.26%**
	Bodies Corporate	359,649,988	46.61%	359,649,988	38.26%
(1) + (2)	**Total Unitholding of Sponsors and Sponsor Group**	**475,134,790**	**61.57%**	**475,134,790**	**50.54%**
(B)	**Public Holding**	**296,530,553**	**38.43%**	**464,941,353**	**49.46%**
	Mr. Vasudev Garg	-	0.00%	28,460,000	3.03%
	Mr. Chaitanya Garg	-	0.00%	28,459,800	3.03%
	Ms. Radhika Garg	-	0.00%	7,762,200	0.83%
	Public Unitholding	296,530,553	38.43%	400,259,353	42.58%
	Total Units Outstanding	**771,665,343**	**100.0%**	**940,076,143**	**100.0%**

Notes:
1) As of September 30, 2020
2) The table above assumes a Unit capital issuance of ₹60,072 million comprising (i) 64,682,000 Units through the Preferential Issue at a price of ₹356.70 per Unit only to the Gargs and (ii) issue of Units through the Institutional Placement aggregating to ₹37,000 million, comprising 103,728,800 Units at a price of ₹356.70 per Unit. Units will be allotted in lots of 200. Balance consideration to the Gargs will be paid in cash through internal accruals.
3) The table above assumes that the proceeds of the Institutional Placement will be used for (i) acquisition of EOVPL and SIPL and the associated common area maintenance businesses in a single tranche; and (ii) associated transaction costs.
4) The units issued presented in the table are for illustrative purposes and are subject to changes based on the structure of the Unit Capital Fund Raise, certain adjustments to the enterprise value in relation to net debt, working capital and other adjustments, as agreed among the parties at the time of closing, and the completion of the Preferential Issue and the Institutional Placement.
5) The table above assumes that there are no changes to the enterprise value under the definitive agreements. Please note that the enterprise value under the agreements is subject to certain adjustments in relation to net debt, working capital and other adjustments, as agreed among the parties.

Ultimate Beneficial Ownership

The allottees in the preferential allotment will be the Gargs, who are natural persons.

K. Pro Forma Metrics – Break-Down

The table below set forth the break-down of the Pro Forma Metrics:

Particulars (₹ million, except percentages)	Before the ETV Acquisition	After the ETV Acquisition
Revenue from Operations[1]	10,564	13,748
Net Operating Income[1]	9,383	12,011
Net Distributable Cash Flow	8,724	11,075
Outstanding Units (million)	771.7	940.1
DPU (₹)	11.33	11.81
DPU Accretion [2, 3] (%)		**4.2%**
NAV per Unit	375.0	386.4
NAV Accretion [2] (%)		**3.0%**

(As of/for the six months ended September 30, 2020)

Notes:

(1) *1H FY2021 financials for Embassy REIT based on limited review by auditor. 1H FY2021 pro-forma numbers are unaudited*

(2) *Assuming an Institutional Placement aggregating to ₹ 37,000 mn and a preferential allotment to the Third-party Shareholders aggregating to ₹ 23,072 mn*

(3) *DPU accretion includes pro-rata rental support on c. 1.1 msf and assumes up to ₹ 36,411 mn debt re-financed at 7.25% per annum with quarterly payments with no amortization*

L. Brief Overview of Regulatory Framework for REIT Valuation, Preferential Issue and Institutional Placement

The following description is a summary of certain key regulations and policies which are applicable to the matters specified below under the REIT Regulations. The regulations set out below are not be exhaustive, and are only intended to provide general information to the Unitholders and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable law that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions in India.

Valuation

REIT Portfolio

- A full valuation of the Embassy REIT's assets is required to be conducted by the Valuer not less than once every financial year, and that such a full valuation shall be conducted at the end of each financial year, within three months from the end of such financial year. An updated valuation report taking into account any material developments during the previous half-year is also required to be issued by the Valuer as part of the half-yearly report within 45 days from the end of such half-year to be submitted by the Manager to the Unitholders and the Stock Exchanges.

- In case of any material development that may have an impact on the valuation of the assets of the Embassy REIT, the Manager will require the Valuer to undertake a full valuation of the property under consideration, within not more than two months from the date of such event, and disclose the same to the Trustee, the Unitholders and the Stock Exchanges within 15 days of such valuation.

- The Manager is required to ensure that computation and declaration of NAV of the Embassy REIT is based on the valuation done by the Valuer, not later than 15 days from the date of valuation and such computation shall be done and declared not less than once every six months.

Acquisitions from Related Parties

- Acquisitions from related parties are required to be on an arms-length basis, in the best interest of the Unitholders, consistent with the strategy and investment objectives of the Embassy REIT and disclosed to the Stock Exchanges and Unitholders periodically in accordance with the listing agreement and the REIT Regulations.

- Two valuation reports from two different independent valuers, independent of each other, are required to be obtained for a purchase or sale of properties.

- Transactions for purchase are required to be at a price not higher than 110% of the average of the two independent valuations.

- Unitholder approval is required if the proposed transaction exceeds certain thresholds set out in the REIT Regulations

Institutional Placement

- *Time period between Institutional Placements:* A minimum period of two weeks is required between institutional placements made pursuant to one or more Unitholder resolutions.

- *Pricing (frequently traded units):* Institutional Placement price shall be computed as the average of weekly high and low of closing price of units during two weeks preceding the relevant date. A discount of not more than five per cent may be offered to such average price subject to approval of unitholders

- *Relevant date:* The date of the meeting on which the board of directors of the manager decides to open the issue**.**

- *Lock-in:* No lock-in; Units allotted through an Institutional Placement shall be sold only through a recognized stock exchange for up to a period of one year from date of allotment.

- *Allotment:* Allotment pursuant to a Unitholders' resolution is required to be completed within 365 days from the date of the resolution. Units allotted in the Institutional Placement are required to be listed within seven days from the date of allotment.

Preferential Issue

- *Pricing (frequently traded units):*
  - Higher of average pricing (average of weekly high and low of volume weighted average price) during twenty six weeks and two weeks preceding the relevant date
  - For a preferential allotment up to December 31, 2020, REIT may opt for pricing method of higher of average pricing during twelve weeks and two weeks preceding the relevant date subject to a three year lock-in on all allottees
  - Allotment of units to institutional investors not exceeding five in number is subject to average pricing of two weeks preceding the relevant date

- *Relevant date:* Thirty days prior to the date on which a meeting of the unitholders is held to consider the preferential issue

- *Lock-in:* Units allotted to sponsors are subjected to a lock-in of three years from date of trading approval for such units, subject to certain criteria. Units allotted to persons other than sponsors shall be subjected to a lock-in of one year from the date of trading approval for such units. The entire pre-preferential issue unitholding of the allottees, if any, is locked-in from the relevant date until six months from the date of trading approval.

- *Eligibility:* Preferential issue of units cannot be made to any person who have sold or transferred any units during the six months preceding the relevant date. The Sponsors and Sponsor Group are ineligible for allotment if the Sponsor or member of the Sponsor Group has sold or transferred its Units during the six months preceding the relevant date.

- *Allotment:* The allotment of units through the Preferential Issue shall be completed within a period of 15 days from the date of the Unitholders' resolution or the receipt of all applicable regulatory, governmental or statutory body/agency, whichever is later.

M. Certain Other Information

Interest in the proposed Transactions and abstentions from voting

Other than Mr. Jitendra Virwani, Mr. Tuhin Parikh, Mr. Robert Christopher Heady, Mr. Asheesh Mohta (alternate director to Mr. Robert Christopher Heady) and Mr. Aditya Virwani, none of the directors of the Manager (or their relatives) is interested in the ETV Acquisition. None of the key managerial personnel of the Manager (or their relatives) is interested in the ETV Acquisition. Since these are related party transactions, the Embassy Sponsor, the Blackstone Sponsor and the Blackstone Sponsor Group and their respective associates will not vote on the unitholder resolution for the ETV Acquisition.

None of the directors or key managerial personnel of the Trustee are interested in the ETV Acquisition.

The Manager, the Trustee, the Embassy Sponsor and the Blackstone Sponsor Group will not receive any Units in the Preferential Issue. Further, none of the directors or the key managerial personnel of any of the Parties to the Embassy REIT will receive any Units in the Preferential Issue.

No acquisition fee is payable to the Manager for the ETV Acquisition.

SECTION III:
DEFINITIONS

In addition to the terms defined elsewhere, this Transaction Document uses certain definitions and abbreviations set forth below which you should consider when reading the information contained herein.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.

Embassy REIT Related Terms or terms related to the ETV Acquisition

Term	Description
Acquisition Related Events	Events as described in the section "Basis of Presentation of Pro Forma and Certain Other Information"
Asset SPVs	Holdco and SPVs and after the ETV Acquisition, will include the ETV Target Entities
Blackstone Sponsor	BRE/ Mauritius Investments
Blackstone Sponsor Group	The Blackstone Sponsor and the following entities: 1. BRE/Mauritius Investments II 2. BREP Asia HCC Holding (NQ) Pte. Ltd. 3. BREP Asia SBS GML Holding (NQ) Ltd 4. BREP Asia SBS HCC Holding (NQ) Ltd 5. BREP Asia SBS Holding-NQ CO XI Ltd 6. BREP Asia SBS NTPL Holding (NQ) Ltd 7. BREP Asia SBS Oxygen Holding (NQ) Ltd 8. BREP Asia SG Indian Holding (NQ) Co II Pte. Ltd. 9. BREP Asia SG Oxygen Holding (NQ) Pte. Ltd. 10. BREP GML Holding (NQ) Pte. Ltd. 11. BREP NTPL Holding (NQ) Pte. Ltd. 12. BREP VII GML Holding (NQ) Pte. Ltd. 13. BREP VII HCC Holding (NQ) Pte. Ltd. 14. BREP VII NTPL Holding (NQ) Pte. Ltd. 15. BREP VII SBS GML Holding (NQ) Ltd 16. BREP VII SBS HCC Holding (NQ) Ltd 17. BREP VII SBS Holding-NQ CO XI Ltd 18. BREP VII SBS NTPL Holding (NQ) Ltd 19. BREP VII SBS Oxygen Holding (NQ) Ltd 20. BREP VII SG Indian Holding (NQ) Co II Pte. Ltd. 21. BREP VII SG Oxygen Holding (NQ) Pte. Ltd. 22. India Alternate Property Limited 23. SG Indian Holding (NQ) Co. I Pte. Ltd 24. SG Indian Holding (NQ) Co. II Pte. Ltd 25. SG Indian Holding (NQ) Co. III Pte. Ltd
BREP Entities	BREP Asia SBS Holding-NQ IV Ltd., BREP Asia SG Indian Holding (NQ) Co I Pte. Ltd., BREP VII SBS Holding-NQ IV Ltd. And BREP VII SG Indian Holding (NQ) Co I Pte Ltd.
CAM	Common area maintenance
Eli Lilly	Eli Lilly Services India Private Limited
EM	Extraordinary Meeting of the Unitholders

Term	Description
Embassy Energy	The solar photovoltaic electricity generation facility situated at villages Ittigi in Huvinahadagali taluka, and Moorigeri and Nelkuthiri in Hagri Bomannahalli taluka, Bellary district, Karnataka
Embassy Acquisition Agreement	Acquisition agreement dated November 17, 2020 among the Trustee (acting in its capacity as the trustee of the Embassy REIT), the Manager (acting in its capacity as the manager of the Embassy REIT), Embassy Real Estate, EOVPL and VTPL
Embassy Galaxy	Galaxy Business Park situated at A-44-45, Sector-62, Noida, Gautam Buddha Nagar 201 309, Uttar Pradesh, India
Embassy GolfLinks	GolfLinks Business Park situated off Intermediate Ring Road, Domlur I Stage, Bengaluru 560 070, Karnataka, India, owned by GLSP
Embassy Manyata	Manyata Embassy Business Park situated at Outer Ring Road, Nagavara, Bengaluru 560 045, Karnataka, India
Embassy One Assets	Completed office and retail space, and a luxury hotel at Embassy One, situated at Katha No. 8 (old no. 57), Bellary Road, Bengaluru 560 032, Karnataka, India
Embassy Oxygen	Oxygen Business Park situated at Plot No. 7, Sector 144, Noida 201 304, Uttar Pradesh, India
Embassy Quadron	Quadron Business Park situated at Plot No. 28, Rajiv Gandhi Infotech Park Phase II, Hinjewadi, Pune 411 057, Maharashtra, India
Embassy Qubix	Qubix Business Park situated at Plot No. 2, Rajiv Gandhi Infotech Park Phase I, Hinjewadi, Pune 411 057, Maharashtra, India
Embassy Real Estate	Embassy Real Estate Developments and Services Private Limited
Embassy Sponsor	Embassy Property Developments Private Limited
Embassy TechVillage/ ETV	The portion of Embassy TechVillage situated at Outer Ring Road, Bengaluru proposed to be acquired by the Embassy REIT
Embassy TechZone / ETZ	Embassy TechZone situated at Hinjewadi Phase 2 Road, Hinjewadi Rajiv Gandhi Infotech Park, Hinjewadi, Pune 411 057, Maharashtra, India
Embassy Whitefield	Embassy Commercial Projects (Whitefield) Private Limited
EOVPL	Embassy Office Ventures Private Limited
ESPL	Embassy Services Private Limited, a member of the Embassy group
ETV Acquisition	The proposed acquisition of the ETV Business and the SIPL Business
ETV Business	Approximately 76.05 acres of commercial development by VTPL consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services
ETV CAM BTA	Business transfer agreement dated November 17, 2020 between Embassy Real Estate and EOVPL in relation to the transfer and acquisition of the ETV CAM Business as on going concern where the Proposed Restructuring is not effective
ETV CAM	Underlying CAM business for the VTPL area

Term	Description
ETV Target Entities	SIPL, EOVPL and VTPL
Express Towers	Express Towers situated at Barrister Rajni Patel Marg, Nariman Point, Mumbai 400 021, Maharashtra, India (excluding economic interests in portions of 24th floor and the 25th floor), owned by IENMPL
FIFC	First International Financial Centre situated at plot no. C-54, C-55, G-Block, Bandra Kurla Linking Road, Bandra Kurla Complex, Mumbai 400 051, Maharashtra, India (excluding (a) leasehold interest in unit Nos. 001, 901 901, 1001 1101, 1201, 1202, 1301 and 1302; (b) leasehold interest in 251 car parking spaces; and (c) undivided leasehold right, title and interest in 45.8% share in the common areas and facilities, which are owned by third parties) owned by ETPL
Facebook	Facebook India Online Services Private Limited
Flipkart	Flipkart Internet Private Limited
GLSP or Investment Entity	GolfLinks Software Park Private Limited
Great West	Great West Global Business Services India Private Limited
Hilton at Embassy GolfLinks	Hilton at Embassy GolfLinks situated at Embassy GolfLinks
Hilton at Embassy Manyata	Hilton and Hilton Garden Inn situated at Embassy Manyata
Holdco or EOPPL	Embassy Office Parks Private Limited
IGBC	The Indian Green Building Council, part of the Confederation of Indian Industry
Institutional Placement	Institutional placement of Units not exceeding ₹80,000 million to Institutional Investors in one or more placements
JP Morgan	J.P. Morgan Services India Private Limited
MPPL	Manyata Promoters Private Limited
Nokia	Nokia Solutions & Networks India Private Limited
NTT	NTT Data Information Processing Services Private Limited
Pro Forma Metrics	Certain unaudited, pro forma operational and financial measures as defined in the section "Basis of Presentation of Pro Forma and Certain Other Information" on page 10
Portfolio	Together, the Portfolio Assets and the Portfolio Investment
Portfolio Assets	Assets directly or indirectly owned by the Embassy REIT as of the date of this Transaction Document in terms of the REIT Regulations, in this case being (i) Embassy Manyata, (ii) Hilton at Embassy GolfLinks (iii) Embassy One Assets, (iv) Embassy Energy, (v) Express Towers, (vi) Embassy 247, (vii) FIFC, (viii) Embassy TechZone, (ix) Embassy Quadron, (x) Embassy Qubix, (xi) Embassy Oxygen, and (xii) Embassy Galaxy

Term	Description
Portfolio Investment	The investment held by Embassy REIT (through the Holdco) in GLSP, aggregating to 50% of the issued and paid-up equity share capital of GLSP
Preferential Issue	Preferential issue of up to 65,579,400 Units to the Third-party Shareholders of VTPL in exchange for the transfer of their shareholding to the Embassy REIT
PWC	PricewaterhouseCoopers Service Delivery Center (Bangalore) Private Limited
REIT Regulations	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, together with the notifications, circulars, guidelines and clarifications issued thereunder, each as amended
Rockwell Collins	Rockwell Collins (India) Enterprises Private Limited
SEBI Institutional Placement and Preferential Issue Guidelines	Circular dated November 27, 2019 issued by the SEBI on guidelines for preferential issue of units and institutional placement of units by a listed REIT, as amended pursuant to the circulars dated March 13, 2020 and September 28, 2020.
SIPL	Sarla Infrastructure Private Limited
SIPL Area	Approximately 8 acres comprising approximately 1.1 msf of under-construction area in ETV
SIPL Business	Approximately 8.0 acres consisting of approximately 1.1 msf of under-construction area being developed commercially by SIPL, which has been fully pre-leased, along with the associated business of common area maintenance services
SIPL CAM	The underlying CAM business for the portion of ETV being commercially developed by SIPL
Sony	Sony India Software Centre Private Limited
Sponsors	The Embassy Sponsor and the Blackstone Sponsor
SPVs	Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, which currently comprise, Manyata Promoters Private Limited, Umbel Properties Private Limited, Embassy-Energy Private Limited, Indian Express Newspapers (Mumbai) Private Limited, Vikhroli Corporate Park Private Limited, Earnest Tower Private Limited, Qubix Business Park Private Limited, Quadron Business Park Private Limited, Oxygen Business Park Private Limited and Galaxy Square Private Limited
Swiss RE	Swiss Re Global Business Solutions India Private Limited
Third-party Shareholders or Gargs	Mr. Vasudev Garg, Mr. Chaitanya Garg and Ms. Radhika Garg
Trustee	Axis Trustee Services Limited
Unit Capital Fund Raising	the Preferential Issue, together with the Institutional Placement
Unitholder	Any person or entity who holds Units of the Embassy REIT

Term	Description
Units	An undivided beneficial interest in the Embassy REIT, and such Units together represent the entire beneficial interest in the Embassy REIT
VTPL	Vikas Telecom Private Limited
VWAP	Volume Weighted Average Price
Wells Fargo	Wells Fargo International Solutions Private Limited (formerly known as Wells Fargo EGS (India) Private Limited)

Technical, Industry related and other terms

Term	Description
Bare Shell	Space delivered to the occupier with a simple, plain cement structure with water lines and common electric connection. The occupier (or the developer, at additional cost) will be required to carry out interior fit-outs, electrical and plumbing work
Base Rent (psf per month)	Base Rentals for the specified period / (Occupied Area * monthly factor)
Base Rentals (₹)	Rental income contracted from the leasing of Completed Area; does not include fit-out and car parking income
BMRC	Bengaluru Metro Rail Corporation Ltd
CAM Business or common area maintenance business	Current and future business of providing common area maintenance services to the occupiers of the relevant office park
DPU	Distributions per unit
Completed Area	The Leasable Area of a property for which occupancy certificate has been received
Completed Area (sf)	Total Leasable Area for which occupancy certificate has been received and includes area for which construction has been completed and occupancy certificate is awaited
Gross Asset Value or GAV	Market value of property, as of September 30, 2020
Gross Rentals (₹)	Gross Rentals is the sum of Base Rentals, fit-out and car parking income from Occupied Area for the month of September 2020.
infrastructure-like	Infrastructure-like refers to the presence of amenities and other facilities at our office parks that are akin to infrastructure available in well-organised cities, such as roads, power sub-stations and intra-park buses.
In-place Rent (psf per month)	Base Rent for the month of September 2020
INR / ₹	Indian rupees
Leasable Area/ Total Leasable Area (sf)	Total square footage that can be occupied by a occupier for the purpose of determining a occupier's rental obligations Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area)
Market Rent (psf per month)	Management's estimate of Base Rent that can be expected from leasing of the asset to a occupier as of September 2020; does not include fit-out and parking income
Mn or mn	Million
MTM	Mark to Market

Term	Description
NAV	Net Asset Value
Net Debt to GAV	The ratio of the net indebtedness of Embassy REIT to the GAV of Embassy REIT (as of September 30, 2020), expressed as a percentage
NOI	Net Operating Income
NDCF	Net Distributable Cash Flow
OBD	Other Business District
Occupancy	Occupancy or average occupancy for a hotel represents the total number of room nights sold for a given period divided by the total number of room nights available for the same period
Occupancy (%)	$\frac{\text{Occupied Area}}{\text{Completed Area}}$
Occupied Area	The Completed Area of a property which has been leased or rented out in accordance with an agreement entered into for the purpose
Occupied Area (sf)	Completed Area for which lease agreements have been signed with occupiers
Purchase Price/ Enterprise Value	Value of the ETV Acquisition
Proposed Development Area (sf)	Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalized and applications for requisite approvals required under law for commencement of construction are yet to be received.
Re-leasing spread	Refers to the change in rent per square foot between new and expiring leases, expressed as a percentage
STEM	Science, Technology, Engineering and Mathematics
Total Stock	Represents the total completed space (occupied and vacant) in the market at the end of the quarter / year
Total Return	Total return is the ratio of (A) the difference between Embassy REIT's unit price as of September 30, 2020 and the unit price for Embassy REIT's IPO (₹ 300 per unit), plus the distributions made by Embassy REIT during the eighteen month period ended September 30, 2020; to (B) the unit price for Embassy REIT's IPO (₹ 300 per unit), expressed as a percentage.
Under Construction Area (sf)	Leasable Area for which internal development plans have been finalized and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced and the occupancy certificate is yet to be received
Vacancy Rate (%)	Vacant Space expressed as a percentage of Total Stock
Vacant Space	Represents the total office space in existing properties, which is physically vacant and is being actively marketed as at the end of the quarter/ year. Space that is physically vacant, but not being marketed or is not available for occupation is excluded from vacancy. Space that is Under Construction is also excluded from Vacant Space
WALE	Weighted Average Lease Expiry calculated assuming occupiers exercise all their renewal options post expiry of their initial commitment period as per terms of lease contract

SECTION IV:
VALUATION REPORTS

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Strictly Confidential
For Addressee Only

Independent Property Consultant Report on the Valuation Methodology in the Valuation Report of Embassy TechVillage

Report for

Embassy Office Parks REIT/ EOPMSPL

Report Date

13th November 2020

TABLE OF CONTENTS

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 TechVillage located at Outer Ring Road, Bengaluru**
Report Date:	**13th November 2020**

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 TechVillage, comprising commercial office real estate assets located on Outer Ring Road in Bengaluru and underlying Common Area Maintenance Services (CAM) Business of Embassy TechVillage, Bengaluru (the "Property/ Business"), 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/ Business considered as part of this study are 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 1,975 professionals across approximately 280 offices globally and India VAS team comprises of more than 50 professionals.

C&W Valuation & Advisory Services India have completed over 8,500 valuation and advisory assignments across varied asset classes/ properties worth USD 377 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 7 offices across India (Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad and Pune). We have a strong team of experienced and qualified professionals dedicated to offer Valuation & Advisory services in various locations across the country. 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/ Business 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 Property/ Business in connection with the proposed purchase of property Embassy TechVillage situated in 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. 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/ Business. 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 2019 ("Red Book") which is compliant with the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020.

C&WI review is limited, by reference to the date of this report and to the facts and circumstances relevant to the Property/ Business 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, CAM margin, 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/ Business 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 Property/ Business 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. Novel Coronavirus disease (Covid-19) has been declared as a pandemic by the World Health Organization (WHO) in March 2020. Owing to this, India has faced lockdown of various degrees in the past few months. Due to the pandemic, the real estate sector has also faced challenges and hence have been impacted. With the construction activity being temporarily suspended and the limited availability of construction works, raw materials etc. We understand that there would be a delay in the delivery timeline of planned future supply.

For commercial sector there has been mandatory office closures in the month of April and May 2020. People and organizations have been forced to test the remote working landscape. Post lock down there will be focus on recovery readiness and making workspace new normal-ready. We believe that whilst there will be re-assessment of portfolios to de-densify the workspace to focus on hygiene and safety norms, there will be a delay in decision making for expansion.

Consolidation strategies may be put on hold to revaluate the recent landscape and renewals are expected to continue as capital expenditure decisions are put on hold. However, relocation decisions maybe reviewed in the context of cost control driving demand to peripheral office locations.

Though the magnitude of the pandemic on commercial real estate is difficult to predict, we anticipate that the delay in decision making for expansion along with delay in construction activities would have a short-term impact on the demand, delay in supply and consequent impact on the rental growth rate in the markets. The stimulus packages by Government of India and gradual reopening of offices and manufacturing plants are likely to support economic activity. We observe that the assumptions noted in Annexure 2, reflect these factors.

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 Property/ Business in connection with the proposed acquisition for the Embassy Office Parks REIT, in accordance with IVS 104 of the IVSC International Valuation Standards issued on 31 July 2019, effective from 31 January 2020.

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

- Average Room Rate for proposed hotels

- CAM Margin

- 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.

Embassy TechVillage Asset, an office park located in Bengaluru comprises:

(i) Commercial development by Vikas Telecom Private Limited (“VTPL”) consisting of approximately 6.1 Million sq. ft. of completed office area, approximately 2.0 Million sq. ft. of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services (ETV).

(ii) 1.1 Million sq. ft. of under-construction area being developed by Sarla Infrastructure Private Limited (“SIPL”), which has been fully pre-leased, along with the associated business of common area maintenance services (JPM pre-lease/ BTS).

Below is the summary of the portfolio of the Property/ Business as of September 30, 2020 which is located in Bengaluru that has been reviewed:

			Leasable Area	
Sr No	Location	Project	Completed (In msf)	Under Construction / Future Development (In msf)
1	Bengaluru	Embassy TechVillage (Operational)	6.1	-
2		Embassy TechVillage (Under Construction-Office Block, A, B, C & D)	-	1.8
3		Embassy TechVillage (Under Construction-Hospitality)	-	5 Star – 311 Keys 3 Star – 207 Keys
4		Embassy TechVillage (Under Construction-Retail)	-	0.1
6		Embassy TechVillage (Under Construction-JPM pre-lease/ BTS)*	-	1.1
7		Common Area Maintenance Services (CAM) Business of Embassy TechVillage	-	-
Total			~6.1	~3.1/ 518 Keys

**Note: JPM refers to J.P. Morgan Services India Private Limited and BTS refers to Build to suit.*

Below is the Property/ Business wise analysis:

- **Embassy TechVillage (Operational Office Block):** C&WI view of the market rent for the asset would be in the range of INR 87-92 per sft per month. This is keeping in mind the latest transactions within the park and competing office parks in the vicinity. C&WI considers the discount rate appropriate and cap rate in line with the market.

- **Embassy TechVillage (Under-construction Office Block):** C&WI view of the market rent for the asset would be in the range of INR 87-92 per sft per month. This is keeping in mind the latest transactions within the park and 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 TechVillage (Under-construction Hospitality Block):** C&WI view of the Average Room Rate (ARR) for the proposed hotel would be in the range of INR 7,500-8,000 per room per night (for 5 Star) and INR 4,700-5,200 per room per night (for 3 Star). This is keeping in mind the ARR of competing hospitality developments 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 TechVillage (Under-construction Retail Block):** C&WI view of the market rent for the asset would be in the range of INR 78-82 per sft per month. This is keeping in mind the latest transactions in competing retail developments 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.

- **JPM pre-lease/ BTS:** 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.

- **Common Area Maintenance Services (CAM) of Embassy TechVillage, Bengaluru:** The CAM Margin projections provided in the Stated Procedure is reasonable. Further, C&WI considers the growth rate, discount rate and cap rate which is assumed, in line with the market.

Considering the above-mentioned points, C&WI considers the market assumptions and the approach to valuation of the above Property/ Business 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
Director,
Valuation and Advisory Services

CUSHMAN & WAKEFIELD INDIA PVT. LTD.

Vishal Deore,
Assistant Manager,
Valuation and Advisory Services

Trisha Kundu,
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/ Business. 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/ Business 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/ Business has been made and owners' claims to the assets/ Property/ Business 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/ Business

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/ Business 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/ Business 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/ Business in accordance with IVS 104 of the IVSC International Valuation Standards issued on 31 July2019, 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.'

- **VALUATION APPROACH**

The basis of valuation for the Property/ Business 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.

For the purpose of the valuation of CAM Business, Income Approach - Discounted Cash Flow Method has been adopted.

- **VALUATION METHODOLOGY**

  - 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, major tenancy 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.

  - Micro-market Review:

    1. 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.

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 has 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 flows 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.

5. For JPM pre-lease/ BTS, rental income cashflows starting from 1st January 2021 to 1st April 2022 on entire 1.1 Million sq. ft. has been assumed for the purposes of valuation. This is based on contractual arrangements proposed to be in effect at the date of acquisition whereby the parties are expected to enter into a rental support and rental guarantee agreement such that all rents for the period intervening date of proposed acquisition to rent commencement date agreed with tenant is paid by the sellers. Accordingly, a revenue support of INR 1,441 Million has been considered.

6. In respect of Cash Flow Projections for CAM Valuation, CAM Margin for the operational and under-construction/proposed area has been projected to arrive at their respective value estimates. Going forward yearly escalation on CAM Margin has been assumed and net income was arrived after making adjustment for operating expenses and management fees. The net income on yearly basis have been projected over 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. The yearly cash flow 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 flow.

Key Assumptions

1. Operational Office Block

Particulars	Units of measure	Details
Property details		
Type of property		Completed
Leasable area	Million sq. ft.	6.1
Area leased	Million sq. ft.	6.0
Vacancy	%	1.85
Key Assumptions		
Achievable Rental per month	INR per sq. ft.	90
Rental Growth Rate per annum	%	5.0
Normal Market lease tenure	Years	5
Construction start date	Date	n.a.
Construction end date	Date	n.a.
Capitalization Rate	%	8.0
Discount Rate	%	11.75

n.a. - not applicable

2. Under-Construction Office Block 8 (A, B, C & D)

Particulars	Units of measure	Details
Property details		
Type of property		Under-Construction
Leasable area	Million sq. ft.	1.8
Key Assumptions		
Achievable Rental per month	INR per sq. ft.	90
Rental Growth Rate per annum	%	5.0
Normal Market lease tenure	Years	5
Construction start date	Date	01-July-2020
Construction end date	Date	31-March-2024
Capitalization Rate	%	8.0
Discount Rate	%	13.10

3. Under-Construction Hospitality Block

Particulars	Units of measure	Details
Property details		
Type of property		Under-Construction
Built up area	sq. ft.	782,669
Number of Keys	#	5 Star - 311 3 Star – 207
Key Assumptions		
Current Average Room Rate	INR per room/ night	5 Star - 7,800 3 Star – 5,000
Occupancy (Year 1)	%	5 Star – 25 3 Star – 25
Stabilized Annual ARR Growth	%	5
Stabilized Occupancy	%	5 Star – 72 3 Star – 75
Stabilized F&B Income (% of Room Income)	%	45

Particulars	Units of measure	Details
Stabilized Convention Centre Revenue (% of Room Income)	%	5 Star – 35 3 Star – 30
Construction start date	Date	31-March-2020
Construction end date	Date	30-September-2024
EV/EBITDA multiple	x	13-14
Discount Rate	%	13.63

4. Under-Construction Retail Block

Particulars	Units of measure	Details
Property details		
Type of property		Under-Construction
Leasable area	Million sq. ft.	0.1
Area leased	sq. ft.	n.a.
Vacancy	%	n.a.
Key Assumptions		
Achievable Rental per month	INR per sq. ft.	81
Rental Growth Rate per annum	%	5.0
Normal Market lease tenure	Years	5
Construction start date	Date	01-April-2020
Construction end date	Date	30-September-2024
Capitalization Rate	%	8.0
Discount Rate	%	13.10

n.a. - not applicable

5. JPM pre-lease/ BTS

Particulars	Units of measure	Details
Property details		
Type of property		Under-Construction
Leasable area	Million sq. ft.	1.1
Area Leased	Million sq. ft.	1.1
Vacancy	%	-
Key Assumptions		
Current Effective Rental per month	INR per sq. ft.	80
Rental Growth Rate per annum	%	5.0
Normal Market lease tenure	Years	5
Revenue Support from 1st January 2021 to 1st April 2022	INR Million	1,441
Particulars	**Units of measure**	**Details**
Construction end date	Date	Q2 FY 2022
Capitalization Rate	%	8.0
Discount Rate	%	12.40

6. Common Area Maintenance Services

Particulars	Units of measure	Details
Property details		
Leasable area – Operational Office Block	Million sq. ft.	~6.1
Leasable area – Under-construction Office, JPM pre-lease/ BTS & Retail Block	Million sq. ft.	~3.1
Key Assumptions		
Current CAM Margin	INR/sq. ft. /month	4.42-4.70
Management Fees	INR/sq. ft. /month	0.5
CAM Margin Growth Rate	%	5
Capitalization Rate	%	8
Discount Rate	%	11.75

Valuation Report:

Embassy TechVillage, Bengaluru

Date of Valuation: 30th September 2020

Date of Report: 12th November 2020

Submitted to:

Embassy Office Parks Management Services Private Limited

Disclaimer

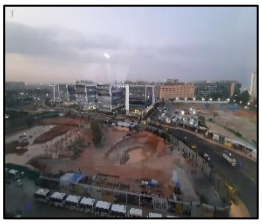
This report is prepared exclusively for the benefit and use of Embassy Office Parks Management Services Private Limited ("EOPMSPL" or the "Recipient" or the "Company" or "the Manager") on behalf of the Embassy Office Parks REIT ("Embassy REIT") and / or its associates and its unitholders for the proposed 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 stock exchange filings, any preliminary/placement document/ information memorandum/ transaction document to the unitholders, or any other document in connection with the proposed purchase of the property/business 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 in the Letter of Engagement ("LOE") dated 21st September, 2020 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 in the LOE dated 21st September, 2020 (including as set out above). 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 TechVillage, Outer Ring Road, Bengaluru Region		
Valuation Date:	30th September 2020	
Valuation Purpose:	Proposed purchase of a property/ business by Embassy Office Parks REIT	
Subject Property:	Embassy TechVillage Asset, an office park located in Bengaluru comprising: (i) Commercial development by Vikas Telecom Private Limited ("VTPL") consisting of approximately 6.1 Million sq. ft. of completed office area, approximately 2.0 Million sq. ft. of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services (ETV). (ii) 1.1 Million sq. ft. of under-construction area being developed by Sarla Infrastructure Private Limited ("SIPL"), which has been fully pre-leased to JP Morgan Services India Private Limited, along with the associated business of common area maintenance services (JPM pre-lease/BTS).	 View of Subject Property
Location / Situation:	The subject property 'Embassy TechVillage' is located on the Sarjapur-Marathahalli stretch of Outer Ring Road, Bengaluru. It connects to Sarjapur Road towards the south and Old Airport Road towards the north which further enhances its connectivity to other parts of the city. It is strategically located close to Krishnarajapuram Railway Station, with well-established commercial centres (RMZ Ecospace, RMZ Ecoworld, Cessna Business Park, Prestige Tech Park, Pritech Park SEZ), renowned hotels (Novotel, IBIS, Park Plaza, Aloft), premium segment residential complexes (Adarsh Palm Retreat, Mantri Espana), prestigious schools and colleges (New Horizon College of Engineering, Gear International, Orchids International), well known hospitals (Cloudnine, VIMS & Sakra World Hospital) located within its close proximity.	 View of Food court
Description:	Embassy TechVillage is a Grade A, SEZ and Non-SEZ Park located on the Outer Ring Road, Bengaluru. The Subject property has three components i.e. a completed component, an under-construction component of office, retail and hospitality segment and land on lease. **Completed Buildings – Block 2A-Aster, Block 2A-West Wing, Block 2B-Hibiscus, Block 2C- Lilac, Block 1A- Carnation, Block 7B- Primrose, Block 2D-Gardenia, Block 5.** The completed buildings and parts thereof with Occupancy Certificate (OC) collectively admeasure ~6.1 Million sq. ft. of leasable area. Out of which Block 2A-Aster, Block 2A-West Wing, Block 2B-Hibiscus, Block 2C- Lilac, Block 1A- Carnation, Block 7B- Primrose, Block 2D-Gardenia are SEZ buildings and Block 5 is Non-SEZ building.	 View of under-construction portion

	Under-Construction – Block 8 (A, B, C & D), Hospitality block along with Convention centre and Retail block, JPM pre-lease/ BTS. The under-construction building Block 8 (A, B, C & D) collectively admeasure ~1.8 Million sq. ft. of leasable area. Block A & B is expected to be completed by Q3 FY 2024 and Blocks C &D is expected to be completed by Q4 FY 2024. The Hospitality Block along with Convention centre collectively admeasure ~0.8 Million sq. ft. of built-up area and the Retail block admeasure ~0.1 Million sq. ft. of leasable area. The Hospitality block along with Convention centre and Retail block is expected to be completed by Q2 FY 2025. JPM pre-lease/ BTS admeasures ~1.1 Million sq. ft. of leasable area and is expected to be completed by Q2 FY 2022.	
Total Area:	Total Plot Area: 84.05 Acres Completed Leasable Area – 6,137,842 sq. ft. Under Construction Leasable Area (commercial) – 2,945,002 sq. ft. Under Construction Leasable Area (Retail) – 89,588 sq. ft. Under Construction Area (Hospitality) – 782,669 sq. ft.	

MARKET VALUE OF THE SUBJECT PROPERTY	
Components	**Value in (₹Mn)**
ETV	**91,310**
Completed	*78,666*
Under Construction	*12,644*
JPM pre-lease/ BTS (Under Construction)	**11,507**
Total	**1,02,817**

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

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

To:	**Embassy Office Parks Management Services Private Limited**
Property:	**Embassy TechVillage located at Outer Ring Road, Bengaluru**
Report Date:	**12th November 2020**
Valuation Date:	**30th September 2020**

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 Mr. Shubhendu Saha, MRICS, registered as a valuer with the Insolvency and Bankruptcy Board of India (IBBI) for the asset class Land and Building under the provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 (hereinafter referred as the "Valuer"), in order to undertake the valuation of business park named Embassy TechVillage, comprising commercial office real estate assets located on Outer Ring Road in Bengaluru and Common Area Maintenance Services (CAM) Business of Embassy TechVillage Bengaluru, (herein referred as "Subject Property/ Business") under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, together with clarifications, circulars, 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

Mr. Shubhendu Saha the Valuer for the Subject Property/ Business is 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 since 15 May 2019. He completed his Bachelor's in Planning from the School of Planning and Architecture, New Delhi in 1997 and Master's in Management Studies from Motilal Nehru National Institute of Technology, Allahabad in 1999.

Mr. Saha has more than 20 years of experience in the domain of urban infrastructure and real estate advisory. He was the national practice head of Valuation Advisory services of DTZ International Property Advisers Private limited (now known as Cushman and Wakefield Property Advisers Private Limited), a leading International Property Consulting firm in India, from 2009 to 2015. He also led the business solutions and consulting services for the property management business of Cushman and Wakefield India Private Limited from 2015 to 2017. In early part of his career he worked with renowned organisations like ICRA Limited, Copal Research (now known as Moody's Analytics) and National Council of Applied Economic Research. His last employment was with PwC as Director Real Estate Advisory before he started his practice as an independent valuer.

As the leader of valuation services business at DTZ, Mr. Saha authored India specific guidelines of the RICS Valuation Standards ('Red Book") for financial accounting, taxation and development land, which became part of the 7th edition of Red Book. He undertook valuation of India's first listed portfolio of healthcare assets at Singapore Stock Exchange as a Business Trust and led numerous valuation exercises for multiple private equity/real estate funds, financial institutions, developers and corporates across asset classes of commercial, retail, residential and hospitality. His clientele included Air India, HDFC, Religare Health Trust, Duet Hotels, DLF, RMZ, Embassy Group, Citibank, Tishman Speyer, IL&FS, HSBC, IDFC, Ascendas India etc. Most recently he was appointed as Valuer of the portfolio of Mindspace REIT for the purpose of proposed listing under SEBI (REIT) Regulations, 2014.

3 Independence and Conflicts of Interest

The Valuer confirms that there are no conflicts of interest in so far as discharging his duties as a valuer for the subject property/ business is concerned and has undertaken the valuation exercise without the presence of any bias, coercion, or undue influence of any party, whether directly connected to the valuation assignment. There has not been any professional association with the Client or the Subject Property in past five years from the date of this report. The Valuer is eligible to undertake this valuation assignment under the REIT Regulations, including Regulation 12 & 21.

The Valuer has invested in the units of Embassy REIT at the time of its IPO and declares that he shall not undertake any transactions with respect to units of Embassy REIT till the time he is designated as Valuer and not less than six months after ceasing to be the Valuer of the Embassy REIT. The Valuer or any of his employees involved in valuing the assets of the REIT have not invested nor shall invest in securities of any of the Subject Property being valued till the time he is designated as Valuer and not less than six months after ceasing to be a Valuer of the REIT.

4 Purpose of Valuation

The Report is being prepared to be relied upon by the Reliant Parties and inclusion, as a whole, a summary thereof or any extracts of the report, in any documents prepared in relation to purchase of the Subject Property/ 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 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, circulars, guidelines and notifications. 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 July2019, 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.

For the purpose of the valuation of CAM Business, Income Approach - Discounted Cash Flow Method has been adopted.

7 Assumptions, Departures and Reservations

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

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, including submission of the report to SEBI and the stock exchanges. 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 unitholders and Axis Trustee Services Limited for the purpose (of the valuation exercise) as highlighted in the LOE including for inclusion in any information memorandum, preliminary placement document, placement document, transaction document/communication to unitholders in connection with the propose transaction, including submission of the report to SEBI and the stock exchanges. 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 him 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 30 Million (Rupees Thirty Million Only) as agreed upon in the LoE dated 21st September, 2020.
- 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.

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	Outer Ring Road	CBD/ Off-CBD	Peripheral East	Peripheral South
Total completed stock Q3 2020** (Million sq. ft.)	583.5	152.2	70.4	6.6	29.5	10.4
Current occupied stock Q3 2020 (Million sq. ft.)	493.1	140.0	69.3	6.2	24.2	9.4
Current Vacancy Q3 2020 (%)	15.5%	8.0%	1.5%	6.2%	17.8%	9.1%
Future Supply – Q4 2020 – 2022 (Million sq. ft.)	95.5	22.8	8.8	0.7	5.0	1.0
Market Rent – Q3 2020 (INR/ sq. ft./ month)	77.0	82.6	107.0	161.0	68.0	65.0

Source: Cushman & Wakefield Research

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

**Please Note: Q3 2020 refers to quarter ending as on 30th September 2020 throughout this report.

Out of the total commercial stock of 583.5 Million sq. ft. in India, nearly 26% 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 28.4% of the occupied stock in India. Also, Bengaluru accounts for approximately 23.9% of the upcoming future supply in India.

Bengaluru is the capital of the State of Karnataka and is located in the south east of the state. Greater Bengaluru is spread over a total area of over 786 sq. km. (conurbation area)[1] with a population of around 9.5 Million.

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.

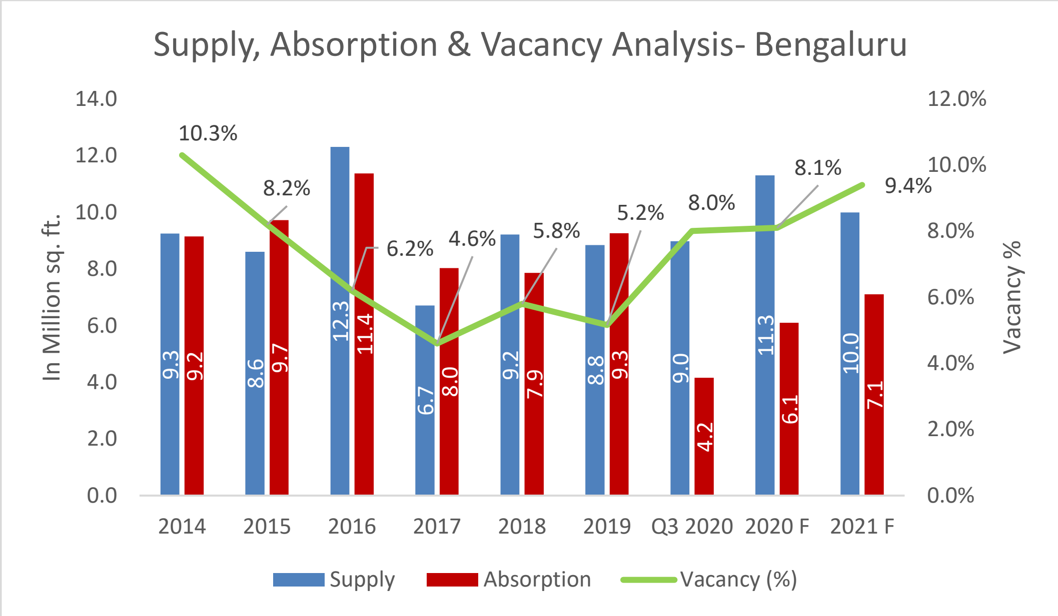
The key drivers of demand for office space in Bengaluru are as follows:

- **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 Nadaprabhu 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).

[1] www.bdaBengaluru.org

1.1 Bengaluru- Supply, Absorption & Vacancy

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



Source: Cushman & Wakefield Research

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

2. 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 January 2020, RMZ Corp and Japan's Mitsui Fudosan have entered into a joint venture to develop 3.5 Million sq. ft. of commercial space in RMZ Ecoworld in Outer Ring Road, Bengaluru. This is Mitsui Fudosan's maiden investment in the Indian market. Under the joint venture, the two firms plans to invest $1 Billion to set up commercial spaces in Indian cities of Mumbai, Bengaluru and Delhi.
2. In September 2019, Blackstone Group, a prominent private equity fund acquired Global Village Tech Park in Bengaluru for approximately INR 2,800 crore from Coffee Day Enterprises. Global Village Tech Park is located on Mysore Road, Bengaluru and is spread over 90 acres.

2 Embassy TechVillage Micro-Market

2.1 Office Market Overview

The Outer Ring Road micro market can be divided into three corridors:

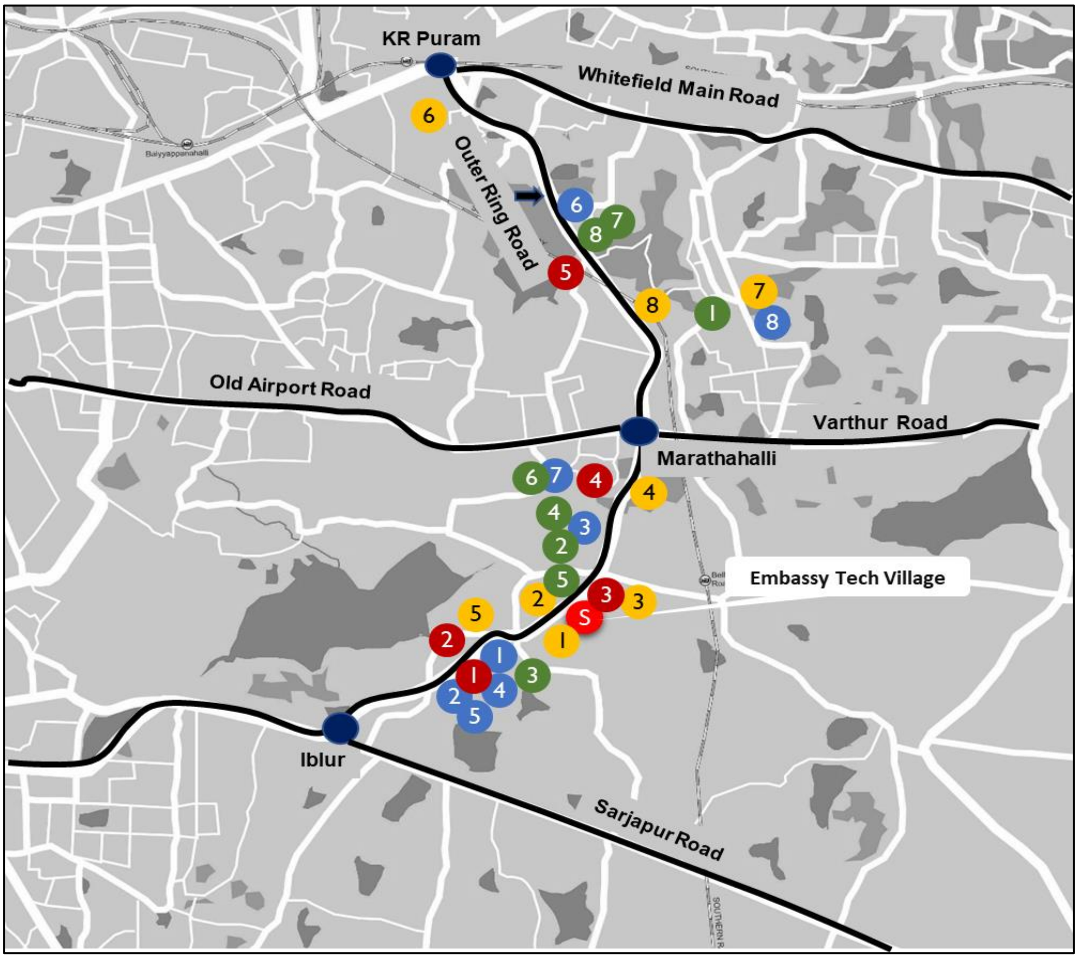
3. Outer Ring Road (Sarjapur-Marathahalli)
4. Outer Ring Road (Marathahalli-KR Puram)
5. Outer Ring Road (KR Puram-Hebbal)

The subject property lies in the Outer Ring Road (Sarjapur-Marathahalli) stretch which is an established peripheral commercial micro-market. Due to poor connectivity of other peripheral micro-markets such as Whitefield and Electronic City during the early 2000’s, ORR emerged as an alternative commercial destination in early 2003. Since then the micro-market has grown to become an established commercial corridor of the city. The micro-market is connected to the suburban micro-markets of Old Airport Road and Domlur towards its west, K R Puram towards its north, Varthur towards its east and Sarjapur Road towards its south. Bellandur Lake lies in the west of the subject micro-market. The micro-market has a mix of commercial, residential and retail activities.

Some of the well-established commercial developments in the micro market of ORR (Sarjapur- KR Puram) and it’s adjoining areas of Brookefield and Old Airport Road include RMZ Ecospace, RMZ Ecoworld, Prestige Tech Park, Cessna Business Park, Embassy Tech Square, Bagmane World Technology Centre, Divyasree Technopolis, Embassy TechVillage, Global Technology Park, Bagmane Constellation Business Park, Pritech Park among others. The upcoming under construction (including proposed) supply in the micro market of ORR (Sarjapur- KR Puram) and it’s adjoining areas of Brookefield and Old Airport Road in the next 2-3 years is approximately 9.0 Million sq. ft.

The micro market has the presence of prominent educational institutions and hospitals such as New Horizon College of Engineering, New Horizon Gurukul, Lowry Educational Institutions, Sakra World Hospital, Brookefield Hospital, Aayug Multi Speciality Hospital and VIMS Super Specialty Hospital among others. In terms of retail developments, the micro market has a number of standalone retail developments to cater to the demand generated by the commercial and residential catchments. Some of the standalone retail stores include, Croma, More Hypermarket, Westside, Hometown, Bakasur, Brand Factory, Innovative Multiplex etc.

The micro-market has presence of many residential projects by well-known developers like Prestige group, Sterling, Divyasree, Sobha developers, Vaswani, Mantri etc. Few of the residential projects in the locality includes Sobha Iris, Soul Space Arista, Alpine Eco, Mantri Espana, Vajram Esteva, Sterling Ascentia, The Central Regency Address, Prestige Silver Crest etc. Additionally, there are multiple hospitality projects at various stages of development in the locality. Some of existing hotels in the micro-market are Radisson Blu, Novotel & Ibis, Aloft, Sarovar Portico, Courtyard by Marriott, Fairfield by Marriott.



S *Subject Property* *Map Not to Scale*

Key Commercial Developments *Social Infrastructure* *Lifestyle Infrastructure* *Proposed Commercial Developments*

Key Commercial Developments	Social Infrastructure	Hospitality Developments	Proposed Commercial Developments
1. RMZ Eco World	1. New Horizon College of Engineering	1. Courtyard & Fairfield by Marriott	1. Bagmane Solarium City-Xenon Block
2. RMZ Eco Space	2. Patel Pre-University College	2. Novotel & Ibis	2. Prestige Tech Park 4
3. Prestige Tech Park	3. Geetanjali Olympiad School	3. Aloft	3. RMZ Eco World 4D
4. Global Technology Park	4. SGR Dental College	4. Radisson Blu	4. Prestige Tech Pacific Park

Key Commercial Developments	Social Infrastructure	Hospitality Developments	Proposed Commercial Developments
5. Pritech Park	5. Sakra World Hospital	5.Sarovar Portico	5. Helios Business Park (Block D&E)
6. Bagmane World Technology Centre	6. Lowry Educational Institutions		6. Divyasree Technopolis (Block 8)
7. Divyasree Technopolis	7. Brookefield Hospital		7. Bagmane Capital- Rome (North & South Blocks)
8. Kalyani Platina	8. Birthright by Rainbow Hospital		8. Bagmane World Technology Centre (Opal Block)

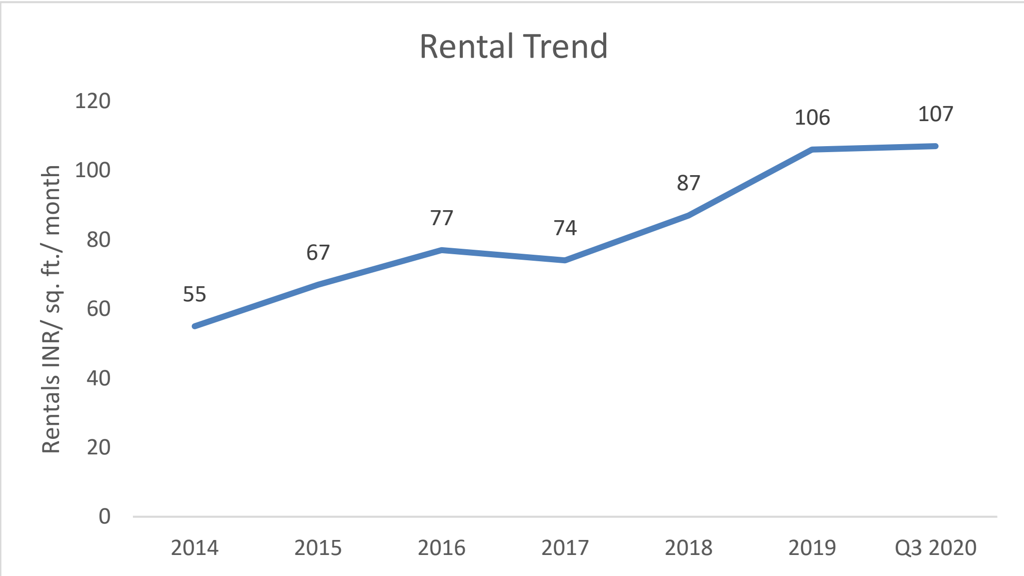
Source: Secondary Market Research[2]

[2] *Secondary Market Research refers to data available in public domain and information received through discussion with multiple market participants.*

2.2 Micro Market- Rental Trend Analysis

The rentals in ORR have been growing at a CAGR of approximately 12% from 2014 to Q3 2020. This is driven by the limited supply in the market with increasing demand for office space in close proximity to the Outer Ring Road.

Diminishing vacancy levels with only 1.5% vacancy in the micro market in Q3 2020 in comparison to the 3.3% vacancy in 2018 and 6.6% vacancy in 2014, rentals are further expected to improve due to limited expected future supply and current lower vacancy.



Source: Cushman & Wakefield Research

Some of the prominent transactions in the ORR (Sarjapur-KR Puram) and it's adjoining areas are tabulated below-

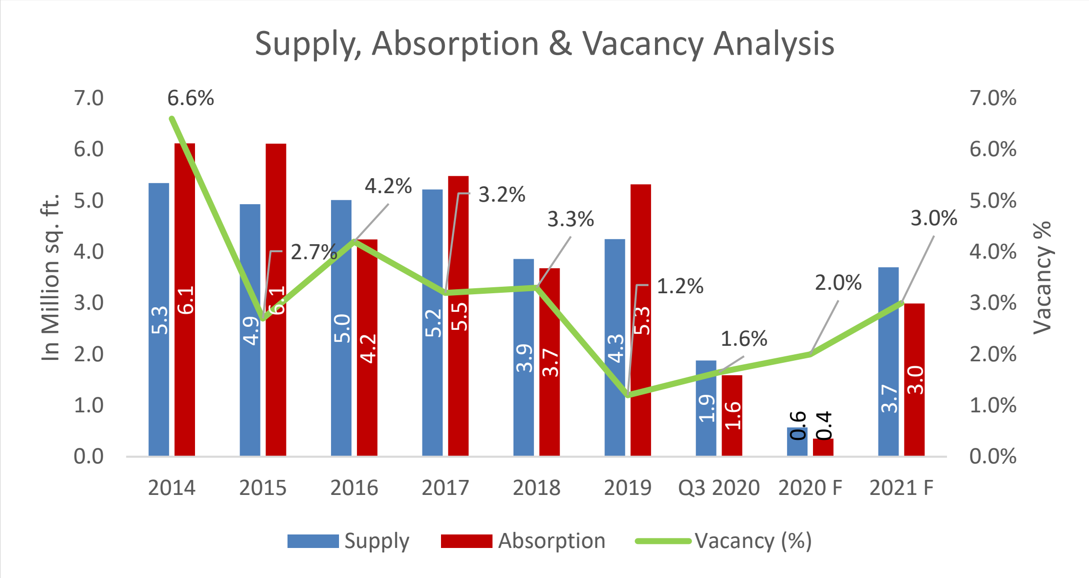
Tenant	Development	Location	Area Leased (sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of facility
Nutanix	Prestige Tech Park (Mercury)	ORR (Sarjapur-Marathahalli)	196,571	Q2 2019	96	Warm Shell
Deloitte	Divyasree Technopolis (Block F)	Old Airport Road	520,400	Q2 2019	79	Warm shell
Cognizant	Bagmane Solarium City (Neon)	Brookefield	483,000	Q2 2019	58	Warm shell
Google	Bagmane Capital-Kyoto	ORR (Marathahalli-KR Puram)	450,000	Q2 2019	87	Warm shell

Tenant	Development	Location	Area Leased (sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of facility
Vmware	Global Technology Park (Block D & E)	ORR (Sarjapur-Marathahalli)	200,000	Q3 2019	91	Warm Shell
Walmart	Prestige Cessna Park 10	ORR (Sarjapur-Marathahalli)	456,419	Q3 2019	79	Warm shell
Plan B	Bagmane Capital-Luxor	ORR (Marathahalli-KR Puram)	256,000	Q4 2019	72	Warm shell
Google	Bagmane Capital-Kyoto	ORR (Marathahalli-KR Puram)	425,000	Q1 2020	88	Warm shell
Danske IT	RMZ Eco World (5B)	ORR (Sarjapur-Marathahalli)	136,887	Q1 2020	60	Warm shell
First Abu Dhabi Bank	Bagmane Capital-Luxor	ORR (Marathahalli-KR Puram)	128,000	Q1 2020	92	Warm shell
GSK	Bagmane Capital-Luxor	ORR (Marathahalli-KR Puram)	145,000	Q2 2020	93	Warm shell
BNP Paribas	Bagmane Capital-Luxor	ORR (Marathahalli-KR Puram)	60,000	Q2 2020	93	Warm shell
Minion Ventures	Salarpuria Softzone	ORR (Sarjapur-Marathahalli)	19,877	Q2 2020	118	Furnished
Intel	RMZ Ecospace	ORR (Sarjapur-Marathahalli)	500,000	Q3 2020	87	Warm shell
Target	Manyata NXT	ORR (Sarjapur-Marathahalli)	275,000	Q3 2020	145	Furnished
Visa	Bagmane WTC - Aquamarine	ORR (Marathahalli-KR Puram)	36,000	Q3 2020	95	Warm shell

Source: Secondary Market Research

2.3 Micro Market- Supply, Absorption & Vacancy

A snapshot of the supply, absorption and vacancy trend for ORR (Sarjapur-KR Puram) and its adjoining areas is as below –



Source: Secondary Market Research

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

2. 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 the ORR (Sarjapur-KR Puram) and it's adjoining areas as on Q3 2020 is approximately 58.9 Million sq. ft. (Grade A office space)
- The total net absorption of commercial office space in the ORR (Sarjapur-KR Puram) during 2018 has been approximately 3.7 million sq. ft. and during 2019 total net absorption was approximately 5.3 Million sq. ft. The total net absorption in the micro market as on Q3 2020 is approximately 1.6 Million sq. ft.
- As on 2019, the net absorption in the ORR (Sarjapur-KR Puram) was 1.3 times the supply leading to reduced vacancy levels and depicting increasing demand in the area.
- The vacancy level for office space in ORR (Sarjapur-KR Puram) dropped to 1.5% in Q3 2020 from 3.3% in 2018.
- The supply in this ORR (Sarjapur-KR Puram) as on Q3 2020 was 1.9 Million sq. ft. In 2019 supply was 4.3 Million sq. ft. in comparison to the 3.9 Million sq. ft. supply in 2018, and 5.3 Million sq. ft.

in 2014. Also, the future supply in this ORR (Sarjapur-KR Puram) from Q4 2020 to 2022 is 9.0 Million sq. ft.

- The ORR (Sarjapur-KR Puram) and it's adjoining areas witnesses the highest absorption in the city indicating high demand of office spaces in the location. Pre-commitments from top global companies have been prevalent in this micro market because of the diminishing ready to move in supply of office space.

Some of the prominent operational commercial developments in the ORR (Sarjapur-KR Puram) include:

Building Name	Developer	Location	Year of Completion	Completed Super Built up area (Million sq. ft.)	Vacancy as on Q3 2020 (sq. ft.)	Warm shell Quoted Rentals (INR per sq. ft. per month)	Main Occupiers
RMZ Ecoworld	RMZ Corp	ORR (Sarjapur-Marathahalli)	2008-2017	7.2	Nil	95-100	All State Insurance, Standard Chartered, KPMG
Bagmane World Technology Centre	Bagmane Developers	ORR (Marathahalli-KR Puram)	2009-2019	5.9	Nil	95-100	Dell EMC, Ernst & Young, Accenture
Pritech Park	Primal Projects	ORR (Sarjapur-Marathahalli)	2008-2013	5.2	63,000	90-95	HPE, Global Logic, DELL
Bagmane Constellation Business Park	Bagmane Developers	ORR (Marathahalli-KR Puram)	2012-2018	4.0	93,744	95-100	Samsung, Amazon
Prestige Cessna Park	Prestige Group	ORR (Sarjapur-Marathahalli)	2008-2020	3.8	3,857	90-95	Cargill, Rubrik, Micron
RMZ Ecospace	RMZ Corp	ORR (Sarjapur-Marathahalli)	2006	3.3	83,000	90-100	Intuit, HSBC, Zycus
Prestige Tech Park	Prestige Group	ORR (Sarjapur-Marathahalli)	2006-2014	2.8	54,907	90-95	Nutanix, Amadeus, Cult Fit
Divyasree Technopolis	DivyaSree Developers	Old Airport Road	2005-2016	2.1	Nil	95-100	Logica,
Global Technology Park	Maple Tree	ORR (Sarjapur-Marathahalli)	2009-2017	2.0	Nil	95-98	Linkedin, Synechron, GSN Games
Bagmane Capital	Bagmane Developers	ORR (Marathahalli-KR Puram)	2019-2020	1.9	46,914	87-100	Google, First Abu Dhabi Bank, Plan B

Building Name	Developer	Location	Year of Completion	Completed Super Built up area (Million sq. ft.)	Vacancy as on Q2 2020 (sq. ft.)	Warm shell Quoted Rentals (INR per sq. ft. per month)	Main Occupiers
Helios Business Park (Phase I)	Kalyani Group	ORR (Sarjapur-Marathahalli)	2018	1.5	Nil	NA	Goldman Sachs (BTS)

Source: Secondary Market Research

Some of the pre-commitments in ORR (Sarjapur-KR Puram) in year 2019 are:

Tenant	Development	Location	Area Leased (sq. ft.)	Date of Transaction	Rent (INR per sq. ft. per month)	Type of Facility
Deloitte	Divyasree Technopolis (Block F)	Old Airport Road	520,400	Q2 2019	79	Warm shell
Twilio	RMZ Eco World (Campus 30)	ORR (Sarjapur-Marathahalli)	250,000	Q4 2019	92	Warm shell

Source: Secondary Market Research

The ORR (Sarjapur-KR Puram) and its adjoining areas are preferred by companies because of the already well-established market with close proximity and accessibility for employees to residential developments, and its connectivity to various IT parks and SEZs. The demand is also driven by the rising interests from Global companies. With multi-national companies driving a major portion of leasing activity in India, it can also be expected for corporates from APAC and EMEA to choose India especially Bengaluru as their outsourcing destination in the coming future. Currently, approximately 5 to 6 lakhs people are working in the belt of ORR (Sarjapur-KR Puram) and its adjoining areas.

In the recent past, companies such as Goldman Sachs, HSBC and Myntra have integrated all its business facilities located at various micro markets in Bengaluru by occupying space in the ORR (Sarjapur-KR Puram) and it's adjoining areas due to its strategic location and attractiveness. As per market information, companies such as Oracle, Amazon, Intuit and Uber are looking for consolidation of its space in this micro market.

Some of the prominent under construction commercial developments in the ORR (Sarjapur-KR Puram) include:

Building Name	Developer	Location	Year of Completion	Super Built up area (Million sq. ft.)	Construction Status
Helios Business Park Phase II (Block D & E)	Kalyani Developers	ORR (Sarjapur-Marathahalli)	2020-2021	1.1	Under-construction
Bagmane World Technology Centre (Opal Block)	Bagmane Developers	ORR (Marathahalli-KR Puram)	2021	0.6	Under-construction
Bagmane Capital (Rome)	Bagmane Developers	ORR (Marathahalli-KR Puram)	2021	1.0	Under-construction
Bagmane Solarium City (Xenon Block)	Bagmane Developers	Brookefield	2021	1.0	Under-construction
Embassy TechVillage	Embassy Group	ORR (Sarjapur-Marathahalli)	2021-2023	3.3	Under-construction
RMZ Eco World (4D)	RMZ Corp	ORR (Sarjapur-Marathahalli)	2022	0.6	Under-construction
Prestige Tech Pacific Park	Prestige Group	ORR (Sarjapur-Marathahalli)	2023	0.7	Under-construction
Bagmane Rio-Ohio	Bagmane Developers	ORR (Marathahalli-KR Puram)	2022	1.2	Under-construction
Divyasree Technopolis (Block 8)	DivyaSree Developers	Old Airport Road	2022	1.0	Under-construction
Prestige Tech Park Phase 4	Prestige Group	ORR (Sarjapur-Marathahalli)	2022	0.5	Under-construction

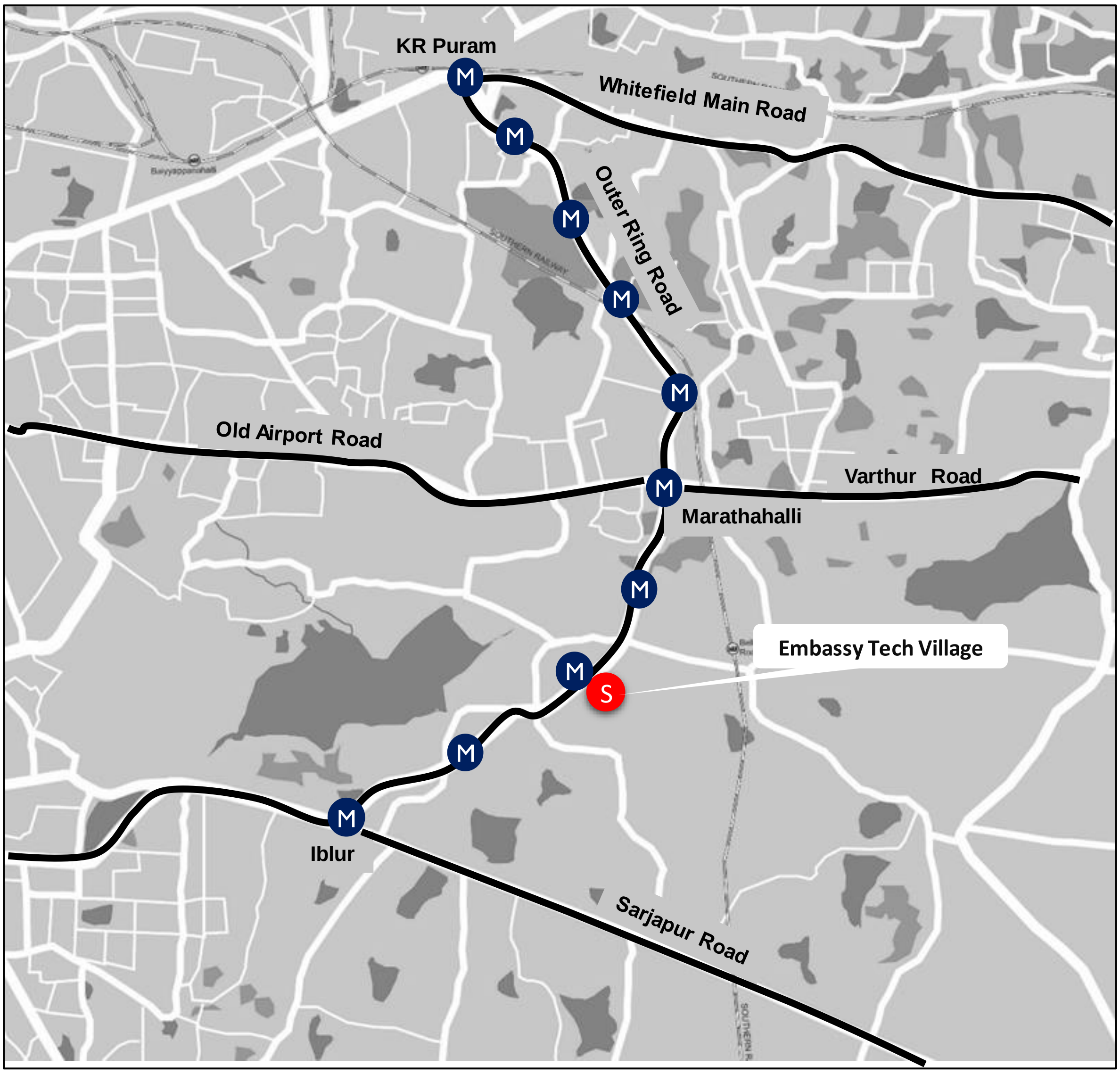
Source: Secondary Market Research

Some of the prominent owned campus developments in the ORR (Sarjapur-KR Puram) include:

Owner	Location	Approximate Built up Area (in Million sq. ft.)
Intel Technology	ORR (Sarjapur-Marathahalli)	~0.7
Honeywell Technology	ORR (Sarjapur-Marathahalli)	~0.7
Cisco Systems	ORR (Sarjapur-Marathahalli)	~3.0
Goldman Sachs	ORR (Sarjapur-Marathahalli)	~1.5
Adobe	ORR (Sarjapur-Marathahalli)	~1.1

Source: Secondary Market Research

2.4 Existing and Upcoming Infrastructure



(Map not to Scale)

The ORR (Sarjapur-KR Puram) micro market is well connected with Bengaluru city by the Outer Ring Road which further connects it to the Old Airport Road, Whitefield Main Road and Sarjapur Road. The upcoming metro line connectivity in Phase 2 of the metro construction will provide good connectivity from the other parts of the city to ORR (Sarjapur-KR Puram). As per the Bengaluru Metro Rail Corporation Limited (BMRCL) website, tenders for project management consultancy services are floated in the market for civil construction works of the metro line in Phase 2 and the last date for the bidding for the same is 27th November, 2020.

The ORR signal-free-corridor project has made majority of the section of ORR, from Sarjapur Road to Hebbal, signal-free (by construction of underpasses and flyovers). The Bruhat Bengaluru Mahanagara Palike (BBMP) is in the process of inviting tenders for construction of approximately 25 skywalks on the ORR. This will ease the pedestrian and vehicular movement along the stretch.

Key Statistics for the Outer Ring Road Market (Sarjapur-KR Puram) and its adjoining areas* are:

Particulars	Details
Total completed stock (Q3 2020)	Approximately 58.9 Million sq. ft.
Current occupied stock (Q3 2020)	Approximately 57.9 Million sq. ft.
Current Vacancy (Q3 2020)	Approximately 1.7%
Future Supply (Q4 2020 – 2022)	Approximately 9.0 Million sq. ft.

Source: Secondary Market Research

In the total completed stock of 70.4 Million sq. ft. on the Outer Ring Road, the ORR (Sarjapur-KR Puram) micro market and its adjoining areas contributes approximately 83.7% of the total stock (~58.9 Million sq. ft.). The micro market also contributes approximately 38.7% of the total stock in Bengaluru.

*Please Note: The adjoining areas for the ORR (Sarjapur-KR Puram) micro market includes Brookefield and Old Airport Road.

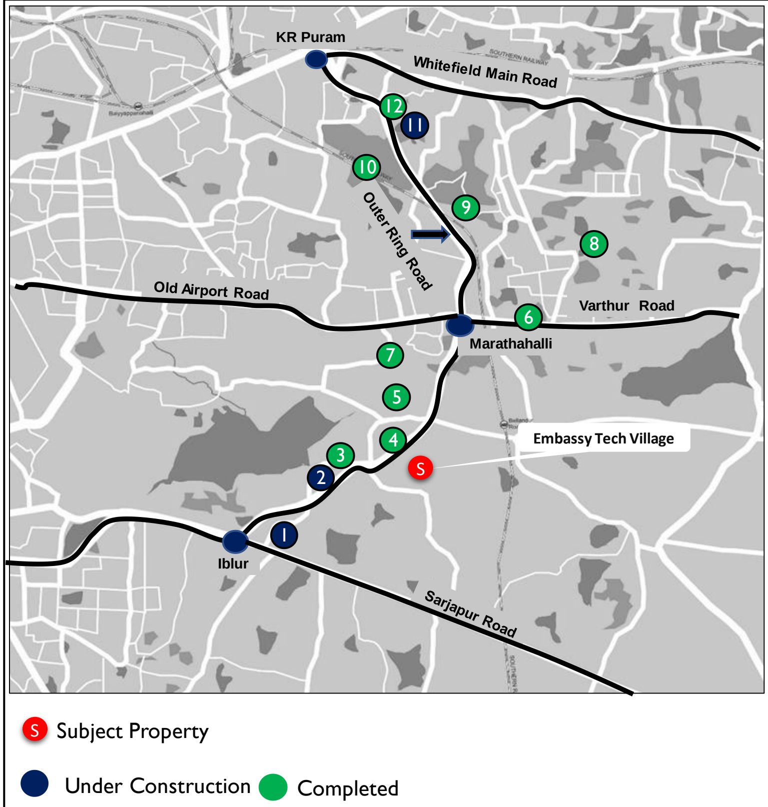
2.5 Office Market Outlook

Novel Coronavirus disease (Covid-19) has been declared as a pandemic by the World Health Organization (WHO). Measures adopted by governments across the globe in form of lockdowns, restricting economic activities, people movement, etc. have disrupted businesses and economies. In India as well, the government has adopted similar measures to contain the spread of Covid-19 which has caused business disruption impacting the economic activity. Though the magnitude of the pandemic and its future impact on businesses is difficult to predict due to the uncertainties caused by Covid-19, the commercial real estate sector has so far shown reasonable resilience to the disruptions caused by Covid-19 and therefore we expect Covid-19 pandemic to have a short term impact on the demand for commercial real estate. We expect the long-term demand for commercial real estate to remain intact and therefore our valuation assumptions reflect our long-term expectation while taking into account any short-term impacts.

Current quoted market rentals in the ORR is in the range of INR 90-95 per sq. ft./ month. Further, over 2014-Q3 2020 the rentals in the ORR grew at a CAGR of approximately 12.2%. Going forward, considering the Covid-19 scenario, we are of the opinion that the rentals in the micro market are expected to be stable for the next 18 months upto March 2022. Further, the upcoming Metro Corridor will have a positive impact on the rentals and an annual growth rate of 5-7% in the market rentals appears achievable from Q1 FY 2023.

2.6 Micro Market- Residential Developments

The below map shows prominent residential apartment developments in the micro market:



S. No	Project Name	Base Price (INR/ sq. ft.)
1	The Central Regency Address	6,550
2	Sterling Ascentia	6,400
3	Mantri Group Espana	6,600-8,500*
4	Prestige Silver Crest	8,000-8,200*
5	NCC Nagarjuna Green Woods	7,600-8,400*
6	Purva Riviera	7,100-9,400*
7	Sobha Palladian	10,500-10,900*
8	Divyasree Republic	7,750
9	Alpine Eco	5,500*
10	Soul Space Arista	7,200
11	DNR Casablanca	6,900
12	CMRS Group Sunny Dew	7,650*

*Refers to Resale prices in the projects

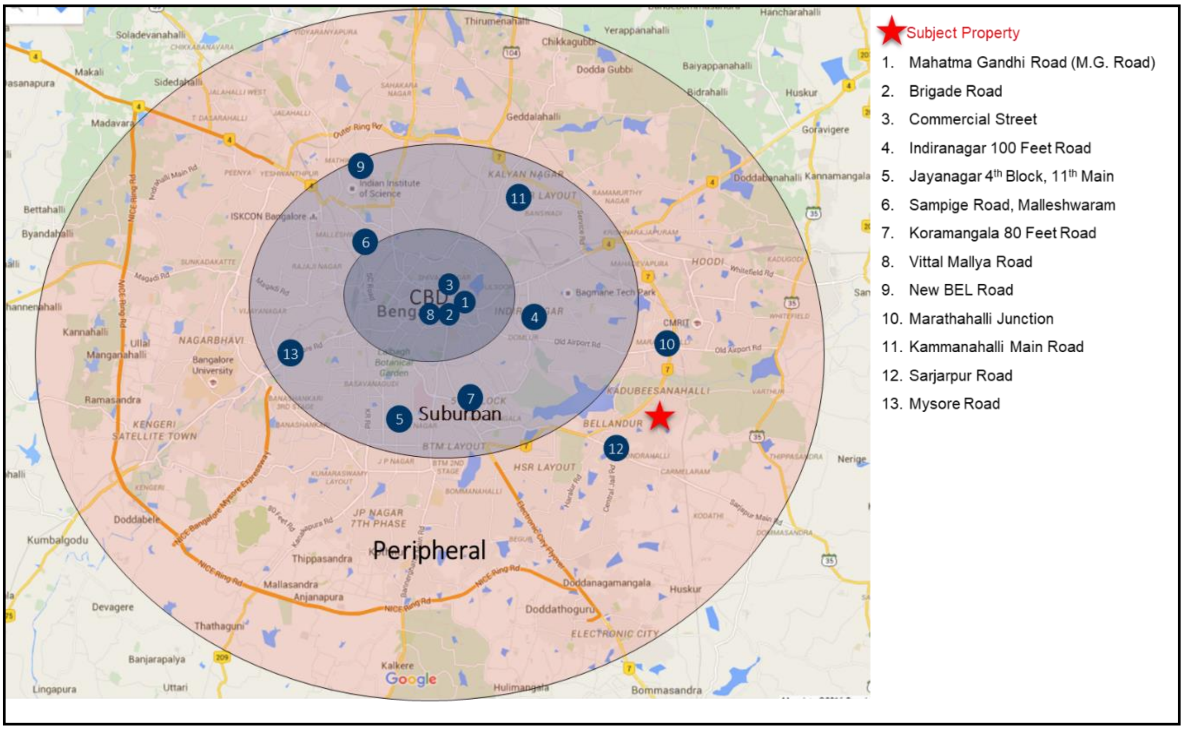
Source: Secondary Market Research

The micro-market of ORR (Sarjapur-KR Puram) and it's adjoining areas has presence of many residential projects by well-known developers like Prestige group, Sterling, Divyasree, Sobha developers, Vaswani, Mantri etc. Few of the residential projects in the locality includes Sobha Palladian, Divyasree Republic, Prestige Silver Crest, Sterling Ascentia etc. The micro market has plethora of residential options ranging from gated apartment developments with attractive amenities such as swimming pool, club house, gymnasium, sports area etc. to presence of several standalone residential developments and paying guest facilities to cater to the increasing demand for housing in the area.

3 Bengaluru Retail Market Overview

The evolution of the retail market in the city started from high streets and the last decade has witnessed the development of various malls in the city. The traditional high streets were located on MG Road, Brigade Road, Commercial Street, Malleshwaram, Jayanagar, etc. The leasable area of grade A malls in the city is approximately 11.4 Million sq. ft. as on Q3 2020, occupied by major brands across all retail segments such as Shoppers Stop, Lifestyle, Westside, D Mart, Central, Reliance, Big Bazaar, etc. The city also has a presence of luxury mall called – "The Collection Mall" which has luxury brands such as Louis Vuitton, Diesel, Burberry, Salvatore Ferragamo, Canali, Jimmy Choo, etc. Demand for quality retail space has remained active (in locations such as North Bengaluru, East Bengaluru, and South Bengaluru) because of increase in residential development and development of commercial clusters in these areas of the city.

The following map gives an overview of the city with its major retail micro markets:



(Map not to Scale)

The table below highlights the characteristics of each of the submarkets in the city:

Micro-market	Profile
Central Business District (CBD) & Off Central Business District (Off CBD)	A mix of malls and organized & unorganized high street. Presence of one luxury mall as well.
Suburban Business District (SBD)	A mix of organized and unorganized high street and malls along with standalone developments.
Peripheral Business District (PBD)	Unorganized high street retail. Presence of large malls and standalone developments.

Majority of the mall developments have been in the suburban / peripheral regions of the city because of the availability of large land parcels. and the city expanding in terms of residential and commercial developments from the CBD areas to the peripheral regions.

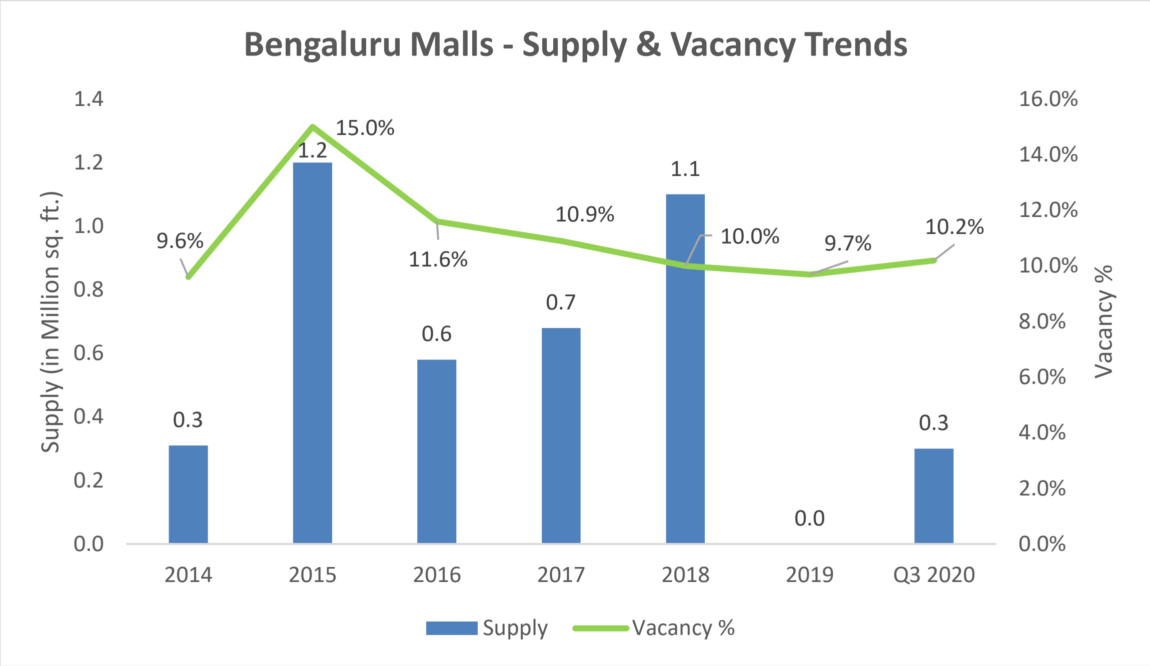
The table below highlights some of the prominent malls across Bengaluru with their prime rental values (sorted on basis of completion date):

Project Name	Developer	Completion Date	Gross Leasable Area (sq. ft.)	Location	Prime Rent – Q3 2020 (INR per sq. ft. per month) *
The Forum	Prestige Group	2004	365,000	Koramangala	420
Garuda Mall	Euroamer Garuda	2005	280,000	Magrath Road	400
The Collection	Prestige Group	2008	88,900	Vittal Mallya Road	400
Phoenix Market City	Phoenix	2011	980,000	Whitefield	180
Brigade Orion	Brigade Group	2012	820,000	Malleshwaram-Rajajinagar	280

** Prime Rent quoted on carpet area basis for Vanilla stores at ground floor* *Source: Secondary Market Research*

Owing to COVID 19 pandemic and its consequent lockdown and curfews, most of the retail stores were yet to resume their business during Q3 2020. Majority of the retailers have started focusing on cost optimisation, consolidation of their businesses and implementing alternate channels of sales. The retail outlets and malls being shut due to the city wide lockdown has led to the vacancy levels during Q3 2020 being similar to that of the previous quarter with no significant changes. The pandemic has also led to the completion of upcoming malls being deferred by 2-3 quarters with no new supply expected for the remaining last quarter of 2020. Retail brands were already negotiating with the landlords for rental waivers and discounts during the quarter, which is expected to be seen in action in the forthcoming quarters. With respect to the high streets, landlords were noted to be offering a discount of 5-10% on the quoted rentals. The impact of COVID 19 pandemic on the retail businesses, especially in terms of rental income is likely to reduce as the market improves gradually.

3.1 Retail Mall – Stock, Supply and Vacancy Trends



Source: Secondary Market Research

The mall vacancy levels in Bengaluru during Q3 2020 remained the same as first half of 2020, with the vacancy levels estimated to be around 10.16%. Overall vacancy levels have been stable because of limited supply additions during the period. During Q1 2020, Orion Uptown mall with a total leasable area of approx. 250,000 sq. ft. became operational in Old Madras Road.

The details of a few of the upcoming malls in the next 2-3 years are listed below:

Upcoming Mall	Location	Expected Completion Date	Total Built-up Area (in sq. ft.)
Aishwarya Mall	Majestic	Q2 2021	2,50,000
Sobha Global Mall	Rajaji Nagar	Q3 2021	10,00,000
Mantri Arena	Kanakapura	Q3 2021	9,00,000
Salarpuria Sattva Divinity	Mysore Road	Q3 2021	2,50,000
Bhartiya City Centre	Thanisandra Road	Q3 2021	8,00,000
Forum Rex Walk	Brigade Road	Q1 2022	2,40,000
Mahendra's Millennium Mall	Electronic City	Q4 2022	2,50,000

Upcoming Mall	Location	Expected Completion Date	Total Built-up Area (in sq. ft.)
Prestige Falcon City Forum	Kanakapura	Q1 2023	4,00,000
Forum 13 Degrees North	North Bengaluru	Q4 2023	12,00,000

Source: Secondary Market Research

3.2 Bengaluru Retail Outlook

Owing to COVID 19 pandemic and its consequent lockdown and curfews, most of the retail stores were yet to resume their business during Q2 2020. Majority of the retailers have started focusing on cost optimisation, consolidation of their businesses and implementing alternate channels of sales. The retail outlets and malls being shut due to the city wide lockdown has led to the vacancy levels during Q2 2020 being similar to that of the previous quarter with no significant changes. The pandemic has also led to the completion of upcoming malls being deferred by 2-3 quarters with no new supply expected for the remaining last quarter of 2020.

The impact of COVID 19 pandemic on the retail businesses, especially in terms of rental income is likely to reduce as the market improves gradually. The gradual relaxation in lockdown rules began from June 2020 owing to which there was an increase in the retail activity in the high streets although less than the Pre COVID level of activity. For those retail spaces in prominent high streets which had been leased pre COVID, started witnessing store openings and increased fit out activities during Q3 2020. For the mall developments, despite the negative impact of COVID, there were no noticeable changes in the vacancy levels, nor any major tenant exits during Q3 2020 owing to the negotiations between the landlord and the tenants.

Few of the retail sectors which witnessed higher volume of sales in malls and high streets despite the overall retail sales volume being sluggish during Q2 and Q3 2020 were consumer electronics, hypermarkets and Consumer durable industry. F&B sector was one of the major sectors affected by COVID with cautious customers and reduced footfalls.

Retail brands in prominent malls were already negotiating with the landlords for rental waivers and discounts during the quarter, which is expected to be seen in action in the forthcoming quarters. A rental discount of 10-15% is expected to be offered by the developers of prominent malls in the next few months. With respect to the high streets, landlords were noted to be offering a discount of 5-20% on the quoted rentals. The rental discounts and other negotiations in the lease terms being witnessed in malls and high streets is expected to be a limited trend to support the retailers during this slowdown, and this trend is not expected to continue and is likely to return to normalcy once the businesses improve over time.

3.3 Micro Market Retail Overview

The subject micro market is Outer Ring Road (Sarjapur- KR Puram) and its adjoining areas of Brookefield and Old Airport Road. The retail development in the micro-market comprises of shopping mall development, standalone retail developments and other retail formats such as restaurants, pubs, hypermarkets, furniture stores, car showrooms, electronic & appliances stores etc. The micro market being predominantly an IT corridor with the presence of few large scale residential developments such as Sobha Hibiscus, Purva Riviera, Durga Petals, Adarsh Palm Retreat and Prestige Silver Crest; the retail developments in this market cater to the working populace and the residents in the vicinity. The majority of the retail developments viz., Innovative Multiplex, KLM Fashion Mall etc. are concentrated towards the Marathahalli Junction which is also one of the old retail high streets of Bengaluru.

Soul Space Spirits in Outer Ring Road, Bellandur is an operational standalone retail development in the micro market. It is largely let out to Central & PVR. Located on a 2.2 acres land abutting the Outer Ring Road, Soul Space Spirit is a large format retail development with a built-up area of approximately 0.4 Million sq. ft. Soul Space Spirit is located in proximity to the various IT/ITeS companies and Business parks. It offers fashion and apparel options (Central by Pantaloons Group), entertainment options (PVR) and various F&B options (McDonalds, KFC, Pizza Hut).

Another major operational standalone retail development in this micro market is Soul Space Arena located on Outer Ring Road, Doddanakundi. It is occupied by anchor tenants including Shoppers Stop, Pantaloons and PVR.

The current stock in terms of grade A mall development in the micro market is approx. 0.1 million sq. ft. Cosmos Mall in Brookefield is the grade A mall development in the micro-market which is already operational.

The micro-market has a good blend of standalone retail developments, some of the prominent ones include:

- Grocery & Departmental Stores: More Mega Store, Village Super Market, Nature’s Basket
- Food and Beverages: Absolute Barbeque, The Black Pearl, Tipsy Bull, Bhagini Andhra Restaurant, Flechazo Marathahalli
- Clothing stores: KLM Fashion Mall, Kalamandir, Westside
- Electronics and Appliances: Pai International, Girias, Croma, Reliance Digital
- Furniture: Hometown, Urban Home Studio
- Entertainment: Innovative Multiplex
- Fitness Centres: Cult Fitness, Slash Fitness
- Automobile: Maruti Suzuki Arena, Ananda Honda, Elite Ford

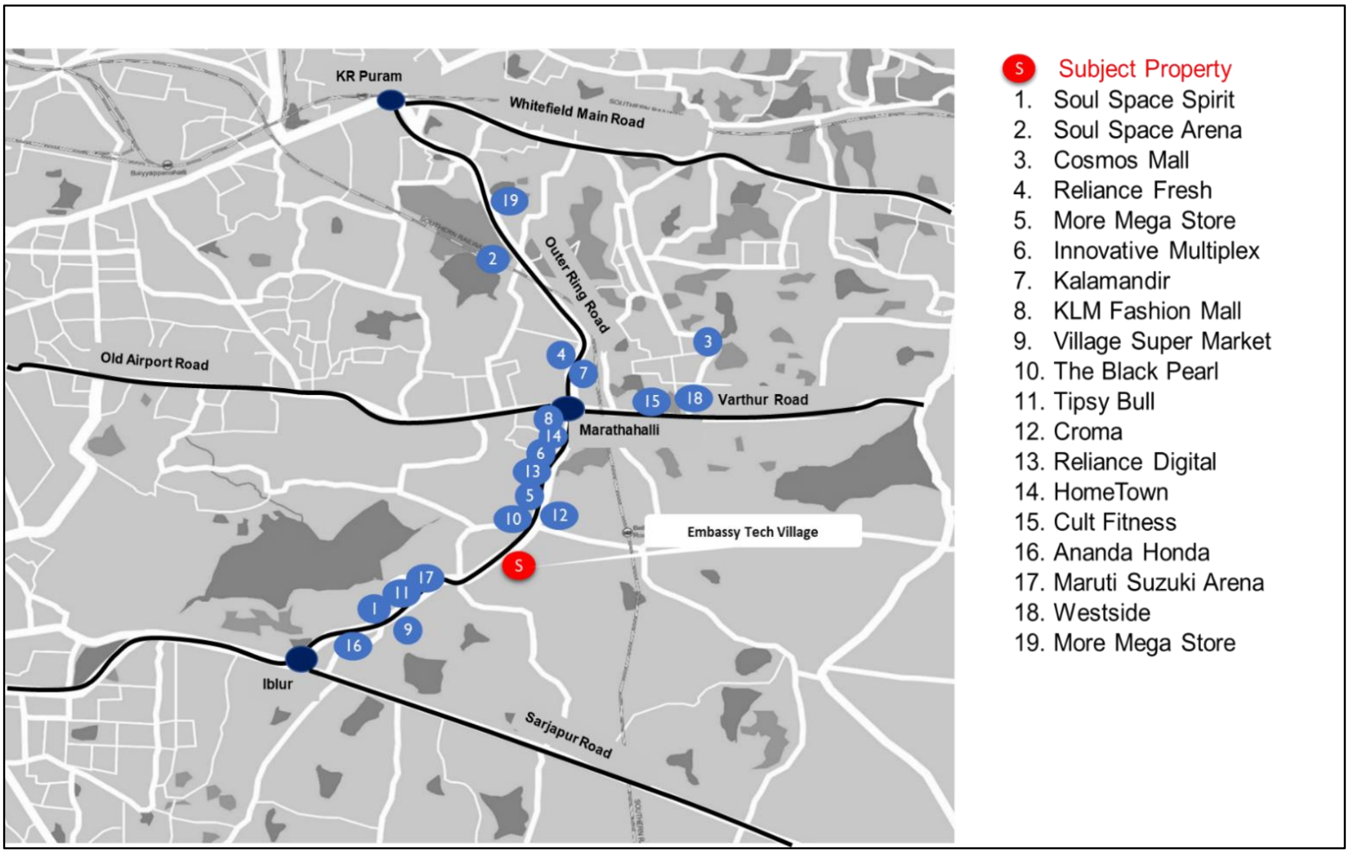
The table below provides the details of the existing organized retail developments in the micro-market:

Name of Mall	Location	Developer/ Owner	Leasable Area (sq. ft.)	Year of Completion	Average Quoted Rent – Q3 2020 (INR per sq. ft. per month)	Major Tenants	Vacancy % (Q3 2020)
Cosmos Mall	Brookefield	Vaswani Group	~ 1,30,000	~2006	~100**	Max, Reliance Digital, Inox	~4%
Soul Space Spirit	Outer Ring Road, Bellandur	Soul Space by BLK	~ 3,00,000	~2011	~65-75*	Central, PVR	Nil
Soul Space Arena	Outer Ring Road, Doddanakundi	Soul Space by BLK	~1,42,000	~2011	~150-175**	Shoppers Stop, Pantaloons, PVR	~40%

**Rental Range is for anchor tenant occupying larger spaces.* *Source: Secondary Market Research*

*** Prime Rent quoted on carpet area basis for Vanilla stores at ground floor*

The map below shows the list of prominent retail developments in the micro market is as below:



(Map not to Scale)

Some of the retail lease transactions in the micro market are as under:

Tenant Name	Leasable Area (sq. ft.)	Rental (INR per sq. ft. per month)	Location	Time of Transaction
Drunken Monkey	1,000	~ 100	Marathahalli	Q2 2018
Reliance Jewels	2,000	~ 150	Opp. More Mega Store, Marathahalli	Q3 2019
BIBA	2700	~ 93	Marathahalli	Q4 2019
Peter England	3000	~ 117	Marathahalli	Q4 2019
Lenskart	1,000	~ 120	Marathahalli	Q3 2019

Source: Secondary Market Research

The recent trend in the commercial and retail real estate sector in Bengaluru is the integration of commercial office spaces, retail developments and hospitality developments into one integrated mixed-use development. Several Tech parks in this micro market have their own retail space within them catering mostly to the employees in that tech park but not exclusive for them. These are usually leased out to F&B brands including cafes, restaurants, pubs & gyms.

Some of the tech parks in the micro market with such retail brands include RMZ Ecoworld, RMZ Ecospace and Global Technology Park among others.

The developers apart from local retail brands, also lease their spaces to global retail brands to cater to the global corporate companies within these tech parks and to stand out as a world class employment hub.

Some of the prominent retail lease transactions within tech parks in the micro market includes:

Tenant Name	Leasable Area (sq. ft.)	Rental (INR per sq. ft. per month)	Location	Time of Transaction
Chianti	2,353	~ 100	IndiQube Edge	Q2 2019
Third Wave Coffee Roasters	1,225	~ 95	IndiQube Edge	Q2 2019
Blue Tokai	1,194	~ 110	IndiQube Edge	Q4 2019

Source: Secondary Market Research

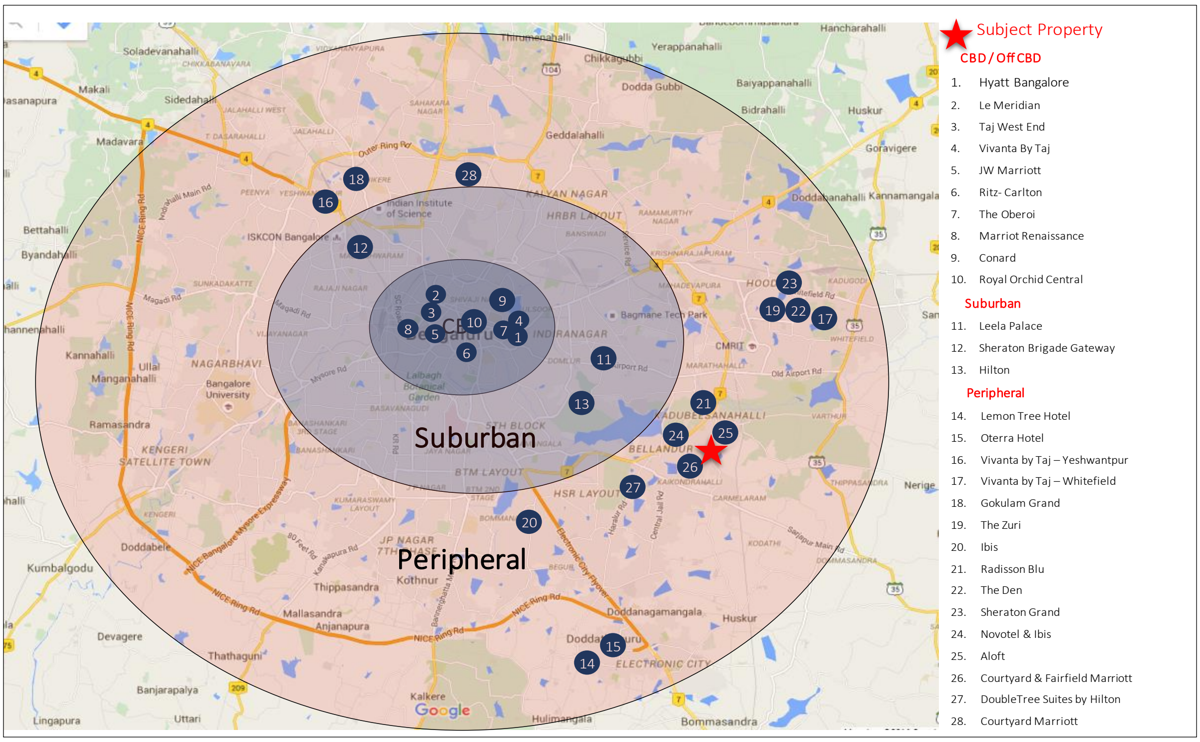
4 Bengaluru Hospitality Market Overview

Bengaluru, often referred to as the Silicon Valley of India (or the IT Capital of India) has been experiencing a boom in the hospitality sector for more than past 5 years. Hotels in Bengaluru have always gained an edge over other cities in terms of tariffs as well as the customer segment. The city has so far commanded the highest ARR (Average Room Rates) in India and has experienced the highest occupancy of foreign traffic in the country. Development of IT/ITeS companies, Tech parks and Business parks has increased the MICE (Meetings, Incentives, Conferences & Exhibitions) activities in Bengaluru and business travellers' segment alone contributes to about 85-90% absorption of the premium segment rooms. Most of the hotels in the upscale / upper upscale / luxury categories launched in the past 5 - 6 years, are located in micro-markets away from the city centre. The occupancy and the Average Room Rates have stabilised in most of these micro markets over the last few years. Some of the new entrants in the upscale / upper upscale / luxury categories include The Renaissance, Conrad, Radisson Blu, Aloft, Courtyard Marriott, Sheraton Grand – Whitefield, Shangri-La, JW Marriott, and Ritz Carlton. Bengaluru had a total inventory of close to 14,287 keys as of FY 2019, with organized segment comprising approximately 60-70% of the total inventory. In this organized sector, as of FY 2019, the upscale segment has the highest inventory, followed by Midscale, upper-midscale, budget and lastly luxury.

The year 2020 started on a positive note with strong performances in January and February. The outbreak of the Novel Coronavirus (COVID-19) was declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020. This has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors with hospitality sector being one of the most adversely impacted sectors. As on April 2020, the occupancies dropped by 31.6% and the RevPAR decreased by 57.8% in India. The estimated total revenue loss for 2020 is approximately INR 89,813 Cr. The unorganized sector is expected to take a maximum hit in revenue followed by organized and semi-organized sector. Majority of the hotels in Bengaluru are driven by the corporate tie-ups and MICE events. The work from home concept being adopted by more and more IT and ITeS companies have further caused adverse impact on the hotels in Bengaluru specifically in the markets of Outer Ring Road, Peripheral East and Peripheral South.

The pandemic situation resulted in huge migration of construction labours across different states. Most of the construction activities came to a halt for around 2-3 months resulting in a considerable delay in upcoming supply of hotels.

The following map highlights the prominent hotels in Bengaluru.



Source: Secondary Market Research

The list of few of the prominent hotels in Bengaluru is as under:

Hotel	Micro Market	Keys
Leela Palace	Suburban East	352
Hilton	Suburban East	247
Lemon Tree	Peripheral East	130
Vivanta by Taj Whitefield	Peripheral East	199
Zuri	Peripheral East	162
Sheraton Grand	Peripheral East	360
The Oterra Hotel	Peripheral South	222
Ibis	Peripheral South	185
Lemon Tree	Peripheral South	175
Radisson Blu	ORR	234
Novotel	ORR	215
Ibis	ORR	311
Aloft	ORR	166
DoubleTree Suites by Hilton	ORR	172
Courtyard Marriott	ORR	170
Fairfield Marriott	ORR	166

Source: Secondary Market Research

Few of the prominent upcoming hotels in Bengaluru are as below:

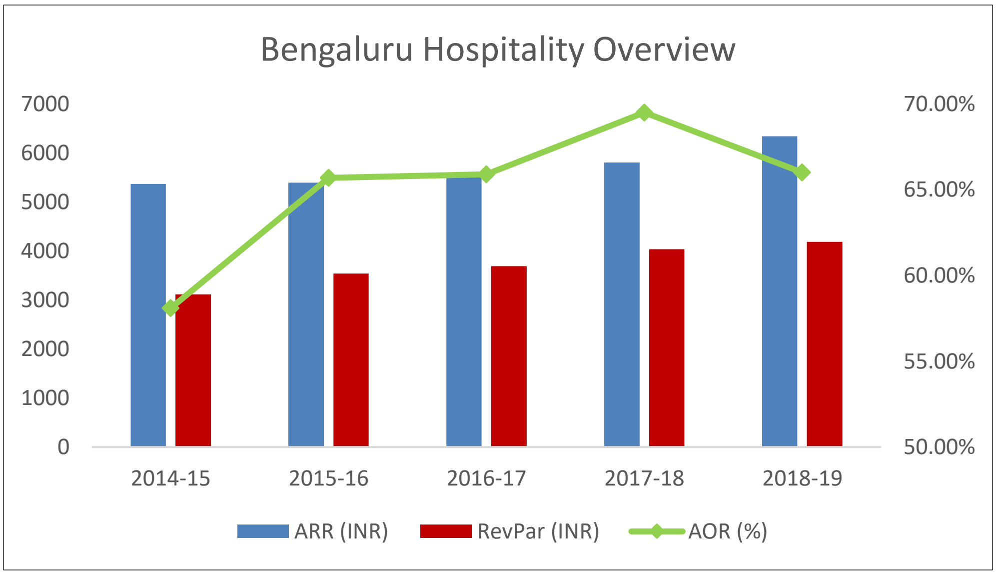
Hotel Name	Keys	Expected Year of Opening	Micro Market
Hilton Garden Inn	353	2022	Manyata Tech Park Hebbal
Hilton Hotels & Resorts	266	2022	Manyata Tech Park Hebbal
Hard Rock Hotel	210	2021	Whitefield
Hilton DoubleTree	183	2021	Whitefield
J W Marriott	299	2022	North Bengaluru
Hilton Hotels & Resorts, Hilton Garden Inn	518	2024	ORR (Marathahalli-Sarjapur)

Source: Secondary Market Research

The estimated year of opening is based on general information available in the market. However, construction of few hotels has got delayed.

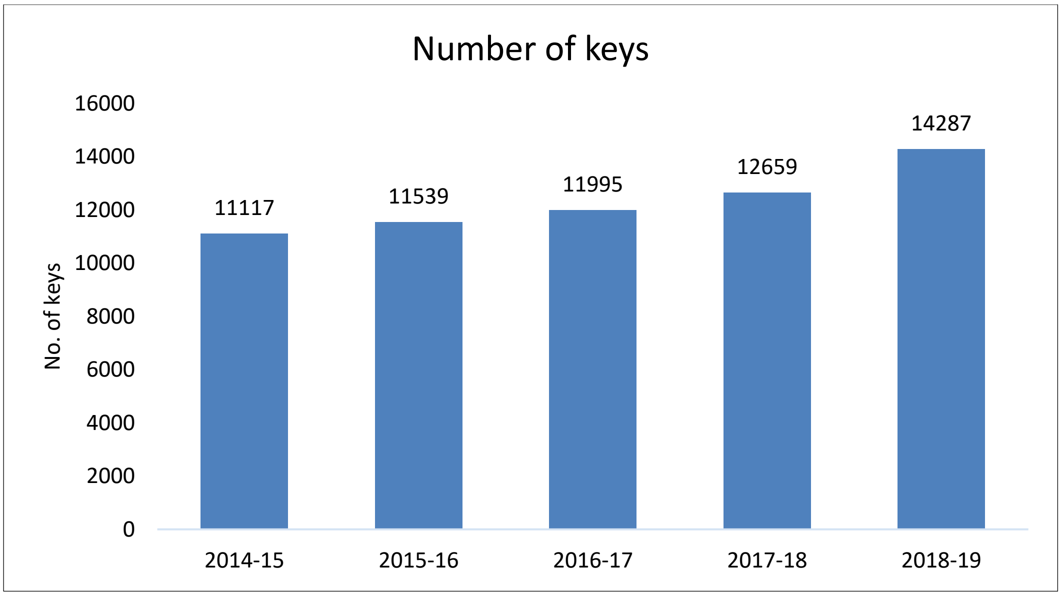
4.1 Hotel Performance Indices

The Average Occupancy Rate (AOR) of Bengaluru, was found to be approx. 66% in FY 2019 vis-à-vis approx. 69.5% in 2018. This was mainly due to additional supply in the city. The AOR had increased to approx. 69.5% in FY 2018 from 58% in FY 2014. The ARR for FY 2018 – 19 was INR 6,339. The ARR has picked up a slight upward trend from FY 2017 – 18. Further, the increased ARR levels have caused a significant increase in Revpar vis-a-vis the previous years. The average RevPAR in Bengaluru had grown by approx. 5% in FY 2019 compared to FY 2018 despite an increase in supply mainly because of increasing demand. This was driven by development and growth of self-sustaining hotel micro markets such as Whitefield, North Bengaluru, ORR, Sarjapur and Electronic City. The ARR has been observed at a higher growth rate of approx. 8% from FY 2018 to FY 2019 via-a-vis growth of 4% in the previous years



Source: Secondary Market Research

Currently, Bengaluru has a large number of international brands such as Accor Hotels, Hilton Worldwide, Intercontinental Hotels Group, Marriott International, etc. operating in the hospitality sector. As of 2018-19, Bengaluru had over 14,287 keys making it the second largest hotel base city in India after New Delhi. The supply in Bengaluru has been steadily growing at a CAGR of 14% and has grown by around 12.9% from 2017-18 to 2018-19. Most of the supply belonged to the organized segment.



Source: Secondary Market Research

Approximately 3,000 rooms proposed under various brand names and likely to hit the city by FY 2023-24. The supply in Bengaluru is expected to grow 21% by FY 2023-24 to approx. 17,287 rooms.

It can be noted that there had been a steady increase in the ARR to INR 6,339 in FY 2018-19 despite the increase in stock in the hospitality segment in Bengaluru. The increase in demand for rooms in the city in last 5 years, is largely because of the increasing commercial developments in the peripheral micro markets and high travel time to other parts of the city. Therefore, hotels located in proximity to these commercial developments and the International Airport get preference by business travellers to the city.

Established micro markets such as Outer Ring Road, Electronic City, Whitefield, Sarjapur, and North Bengaluru are expected to continually perform well, because of strong and growing corporate demand from corporate hubs located in immediate vicinity.

Following table shows the performance of few of the hotels in Bengaluru:

Hotel Name	Type of Hotel	Room Keys	Micro-market	ARR CY 2019 (INR/ room night) (Approximate)	Occupancy CY 2019 (Approximate)
J W Marriott	Luxury	281	CBD/Off CBD	12,000	80-85%
Courtyard by Marriott	Upscale	170	ORR (Marathahalli-Sarjapur)	10,00	75-80%
Novotel	Upscale	215	ORR (Marathahalli-Sarjapur)	9,000	60-65%
Fairfield by Marriott	Midscale	166	ORR (Marathahalli-Sarjapur)	6,200	75-80%
Ibis	Midscale	311	ORR (Marathahalli-Sarjapur)	5,200	65-70%
Lemon Tree	Midscale	130	Peripheral East	3,800	80-85%
Holiday Inn	Midscale	161	Peripheral East	6,000	70-75%

Source: Secondary Market Research

As can be seen in the table, the ARR for upscale hotels in Bengaluru varies between INR 9,100 and 10,100 per room night. These properties have been able to achieve a stabilised occupancy in the range of 60% to 80%. The midscale hotels in Bengaluru are able to fetch ARR in the range of INR 3,900 to 6,200. The stabilized occupancy for these developments falls in the range of 70% to 80%.

4.2 Micro market Overview

The subject property lies in the micro market of Outer Ring Road (K R Puram-Sarjapur) towards East of Bengaluru. Outer Ring Road (K R Puram – Sarjapur corridor) is an established peripheral commercial micro-market. Due to poor connectivity of other peripheral micro-markets such as Whitefield and Electronic City during the early 2000’s, ORR emerged as an alternative commercial destination in early 2003. Since then, the micro-market has grown to become an established commercial corridor of the city. The micro-market is connected to the suburban micro-markets of Old Airport Road and Domlur towards its west, Old Madras Road towards its north, Mahadevapura and Varthur towards its east and Sarjapur Road towards its south.

The micro market also has presence of prominent educational institutions and hospitals such as New Horizon College of Engineering, Royale Concorde International school, Sakra World Hospital, Columbia Asia and VIMS Super Specialty Hospital among others. In terms of retail developments, the micro market has several standalone retail developments to cater to the demand generated by the commercial and residential catchments. Few of the major standalone retail developments include, Croma, More Hypermarket, Bakasur, Central, Brand Factory, Innovative Multiplex, Soul Space Arena, etc.

The micro market of Outer Ring Road (K R Puram-Sarjapur) is one of the major established commercial micro market of Bengaluru. It accommodates several major commercial developments viz. RMZ Ecospace, Prestige

Tech Park, RMZ Ecoworld, Cessna Business Park, Embassy TechVillage, Bagmane World Technology Centre, Global Technology Park, Pritech Park (SEZ) etc. The subject micro market and its adjoining areas (Old Airport Road & Brookefield) comprises a cumulative Grade A commercial stock of approx. 69 Million sq. ft. as of Q2 2020. The micro market experienced immense demand for residential developments and few of the major developers viz. Prestige, Brigade, Mantri, Sobha, Purvankara etc. have come up with various mid to large scale residential developments in the vicinity of subject micro market. Further, to cater to large number of companies in several tech/business parks of the region, various branded Hotel management companies such as Marriott, Accor, Radisson, Hilton, Starwoods etc. established their hotel brands in and around the subject micro market.

Following are the major hospitality developments in the subject micro market:

Hotel Name	Type of Hotel	Room Keys	Micro-market	ARR CY 2019 (INR/ night) (Approximate)	Occupancy CY 2019 (Approximate)
Courtyard by Marriott	Upscale	170	ORR (Marathahalli-Sarjapur)	10,100	77%
Fairfield by Marriott	Midscale	166	ORR (Marathahalli-Sarjapur)	6,200	77%
Novotel	Upscale	215	ORR (Marathahalli-Sarjapur)	9,000	60%
Ibis	Midscale	311	ORR (Marathahalli-Sarjapur)	5,200	69%

Source: Secondary Market Research

As can be seen in the above table, the subject micro market accommodates several branded hospitality developments viz. Courtyard & Fairfield by Marriott hotels, Novotel & Ibis by Accor Hotels, Radisson Blu, Grand Mercure of Accor Hotels, Sarovar Portico of Sarovar Hotels etc. Majority of these developments have been operational in the micro market for atleast 5 years and have achieved operational stability.

ARR overview: By the virtue of being located in proximity to various corporate offices, the upscale categoy hotels in the subject micro market are able to fetch an Average Room Rate (ARR) in the range of INR 9,000 to 10,100 per room night. The ARR was observed to be close to INR 6,200 for the midscale category hotels.

Occupancy: The stabilized occupancy rate for upscale category hotels in the subject micro market was observed to be 77% while the midscale category hotels are able to achieve a stablilized occupancy rate in the range of 65% to 77%.

4.3 Outlook for Hospitality Sector in Bengaluru

Bengaluru, apart from being the most prominent location for IT companies also houses other industries such as Finance, Telecommunication services, Defence, Aerospace and Banking. Around 80% of the global IT companies have their India operations based out of Bengaluru. The city’s current office stock is approximately 147.9 Million sq. ft., with a further 26.79 Million sq. ft. under construction. Most of these developments are along the Outer Ring Road, Peripheral East and Suburban East which are the IT Corridors. Companies have also started shifting to peripheral North and suburban North due to their proximity to the International airport and reduced traffic congestions. This indicates an economic shift from the CBD to other peripheral and suburban micro markets. This has led to an increase in the number of rooms offered in these micro markets.

The Indian Hospitality sector sailed smoothly into January 2020 after thriving in 2019 with the 2020 targets set even bigger. India started feeling the impact of global COVID-19 turmoil towards the mid of February 2020. Most of the Indian hotels were operating at a significantly lower occupancy rates after Government of India suspending the international flights (on 22nd March, 2020) until the country went under total lock down (on 24th March, 2020). Post lockdown, the hospitality industry came to a standstill with only a few hotels operating at occupancy rates in single digit catering to the workforce of essential services and as quarantine centres.

A near-complete shutdown of hotels across the nation for well over three months severely impacted many unorganized and branded properties. While assets with high fixed costs, large teams, unfavourable debt service terms and high uncertainty of revenue are finding it extremely difficult to bounce back from their financial woes, a good number of enterprises have begun the process of slowly picking up the pieces and putting a meaningful business back together. Most branded hotel companies are witnessing a surge in queries for transient leisure as well as social MICE bookings. With outbound travel opportunities being scarce and inbound bookings being virtually non-existent, hotels across geographies and price points are likely to rely heavily on domestic leisure (both transient as well as social functions) over the next three to six months. Corporate travel both locally negotiated as well as RFP led, are expected to begin to pick back up only in early to mid-2021. Most hotel operators share the view that pre-COVID commercial room night demand will not be witnessed before the end of next year, if not by sometime in 2022.

One of the positive take away to come out of this pandemic is the re-look and reset that several hotel companies have been forced to do, from an operating cost standpoint. As brands begin their budgeting processes for 2021, one would expect them to focus on keeping many of these costs in check through the revival period, and beyond. Efficient hotel operations and long-term elimination of cost lines that were previously acceptable, and are now clearly identified as unnecessary or excessive, would be a step in the right direction.

C PROPERTY REPORT

1. Address, ownership and title details of Subject property

Address:	Embassy TechVillage, Outer Ring Rd, near New Horizon College, Kaverappa Layout, Devarabisanahalli, Kadabeesanahalli, Bengaluru, Karnataka 560103
Ownership & title details:	Freehold of 82.15 acres + Leasehold of 1.9 acres

Source: Architect Certificate, Title Report

1.1 Encumbrances

Unless disclosed and recorded in the Property Report – Part C, the Subject property is considered to possesses 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 J. Sagar Associates. (hereinafter referred to as 'J.S.A.'). We have not checked and verified the title of the Subject Property.

Entity	Encumbrance in favour of
VTPL	HDFC Limited, Indusind Bank Limited, South India Bank Limited and IDBI Trusteeship Limited (security trustee of lenders mentioned herein)
SIPL	KKR, SBI and IDBI Trusteeship Limited (security trustee of lenders mentioned herein)

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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.

However, as informed to us by the client, two of the existing tenants in the subject property have not paid the rentals for April 2020.

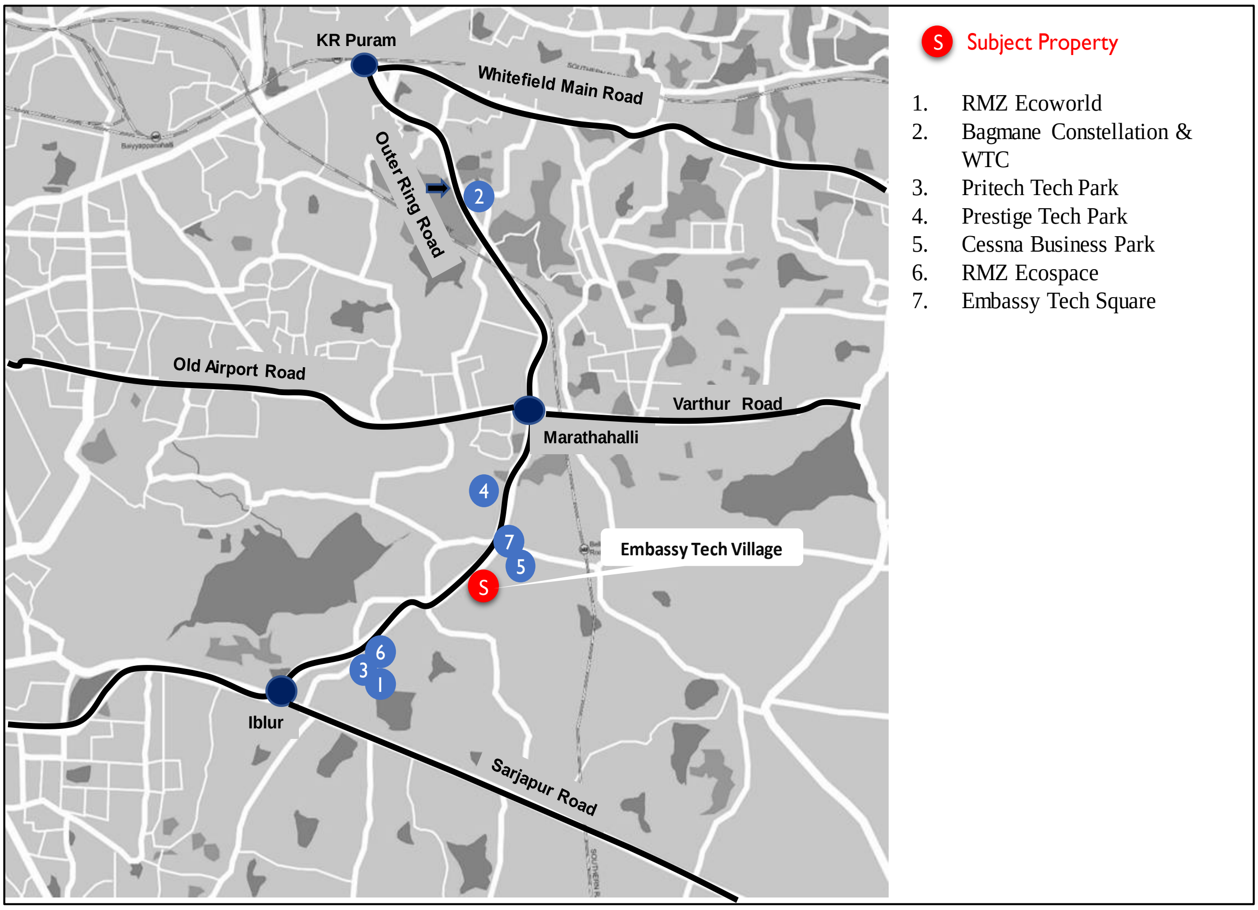
1.3 Material Litigation

Based on discussions with the Client and Title Reports shared, there are no material litigation relating to the Subject Property or any compounding charges except for those disclosed in Annexure 7.

2 Location

2.1 General

The subject property 'Embassy TechVillage' is located on the Sarjapur- Marathahalli stretch of Outer Ring Road, Bengaluru. It connects to Sarjapur Road towards the south and Old Airport Road towards the north which further enhances its connectivity to other parts of the city. It is strategically located close to Krishnarajapuram Railway Station, with well-established commercial centres (RMZ Ecospace, RMZ Ecoworld, Cessna Business Park, Prestige Tech Park, Pritech Park SEZ), renowned hotels (Novotel, IBIS, Park Plaza, Aloft), premium segment residential complexes (Adarsh Palm Retreat, Mantri Espana), prestigious schools and colleges (New Horizon College of Engineering, Gear International, Orchids International), well known hospitals (Cloudnine, VIMS & Sakra World Hospital) located within its close proximity. The location map of the Subject property is set out below:



The subject property is spread out over ~84.05 acres of land parcel. Located on the Outer Ring 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 9-10 kms from K R Puram Railway Station
- Approximately 15-16 kms from M G Road Metro Station
- Approximately 19-20 kms from Bengaluru Railway Station
- Approximately 47-48 kms from Kempegowda International Airport

The Subject property is well accessible to different parts of the city through the Outer Ring 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 3.

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 TechVillage Asset, an office park located in Bengaluru comprising:

i. Commercial development by Vikas Telecom Private Limited (“VTPL”) consisting of approximately 6.1 Million sq. ft. of completed office area, approximately 2.0 Million sq. ft. of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services (ETV).

ii. 1.1 Million sq. ft. of under-construction area being developed by Sarla Infrastructure Private Limited (“SIPL”), which has been fully pre-leased to JP Morgan Services India Private Limited, along with the associated business of common area maintenance services (JPM pre-lease/BTS).

Completed Buildings – Block 2A-Aster, Block 2A-West Wing, Block 2B-Hibiscus, Block 2C- Lilac, Block 1A- Carnation, Block 7B- Primrose, Block 2D-Gardenia, Block 5.

The completed buildings and parts thereof with Occupancy Certificate (OC) collectively admeasure ~6.1 Million sq. ft. of leasable area. Out of them Block 2A-Aster, Block 2A-West Wing, Block 2B-Hibiscus, Block 2C- Lilac, Block 1A- Carnation, Block 7B- Primrose, Block 2D-Gardenia are SEZ buildings and Block 5 is Non-SEZ building.

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

Completed Buildings with OC

Particulars	Leasable Area (sq. ft.)	Usage type	Status
Block 2A-Aster	494,246	SEZ	Completed
Block 2A-West Wing	438,371	SEZ	Completed
Block 2B-Hibiscus	664,262	SEZ	Completed
Block 2C- Lilac	32,902	SEZ	Completed
Block 1A- Carnation	874,000	SEZ	Completed
Block 7B- Primrose	911,003	SEZ	Completed
Block 2D-Gardenia	285,544	SEZ	Completed
Block 5- ABC (Alyssa, Begonia and Clover)	837,279	Non-SEZ	Completed
Block 5-D (Daffodils)	26,605	Non-SEZ	Completed
Block 5-E (Orchids)	103,433	Non-SEZ	Completed
Block 5-F (Flora)	116,959	Non-SEZ	Completed
Block 5-G and H (Tulips)	456,976	Non-SEZ	Completed
Block 5-I &J (Thrillium)	699,454	Non-SEZ	Completed
Block 5-K (Marigold)	30,268	Non-SEZ	Completed
Block 5-L (Lavender)	166,540	Non-SEZ	Completed

Source: Architect’s Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements

The tech park also has F&B outlets of Star Bucks, California Burrito, Dominos, Veg by Nature etc. on the ground floor. The park also consists of a fitness centre and sports amenities such as basketball court, football court etc.

Under-Construction – Block 8 (A, B, C & D), Hospitality block along with Convention centre and Retail block, Block 9 (JPM pre-lease/ BTS).

The under-construction building Block 8 (A, B, C & D) collectively admeasure ~1.8 Million sq. ft. of leasable area. Block A & B is expected to be completed by Q3 FY 2024 and Blocks C &D is expected to be completed by Q4 FY 2024. The Hospitality Block along with Convention centre collectively admeasure ~0.8 Million sq. ft. of built-up area and the Retail block admeasure ~0.1 Million sq. ft. of leasable area. JPM pre-lease/BTS admeasures ~1.1 Million sq. ft. of leasable area. The Hospitality block along with Convention centre and Retail block is expected to be completed by Q2 FY 2025, JPM pre-lease/ BTS is expected to be completed by Q2 FY 2022.

Under construction Buildings

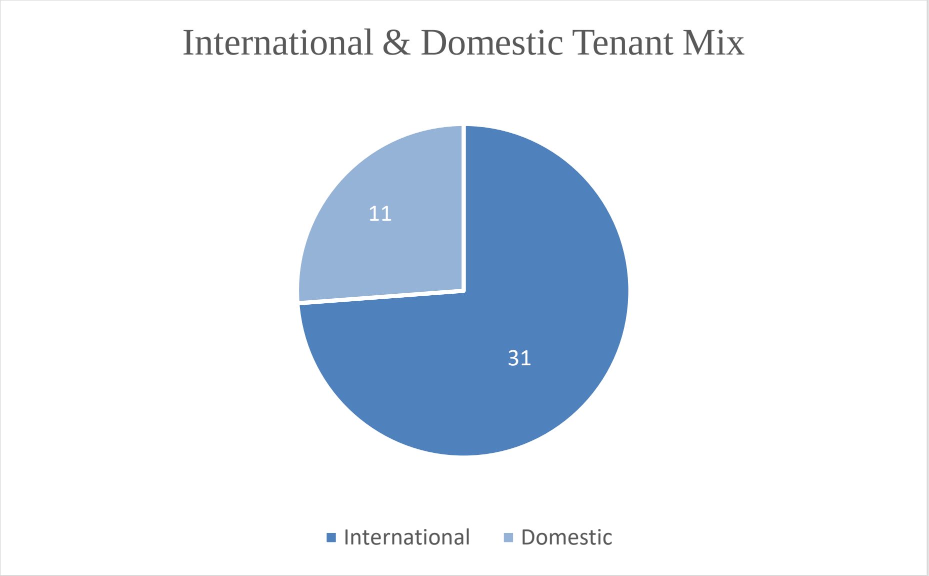
Particulars	Leasable Area (sq. ft.)	Usage type	Status
Block 8A	431,024	Non-SEZ	Under-construction
Block 8B	433,705	Non-SEZ	Under-construction
Block 8C	430,787	Non-SEZ	Under-construction
Block 8D	544,200	Non-SEZ	Under-construction
Retail Block	89,588	Non-SEZ	Under-construction
Convention Centre	53,224*	Non-SEZ	Under-construction
Hotel-3 star	729,445*	Non-SEZ	Under-construction
Hotel-5 star		Non-SEZ	Under-construction
Block 9- JPM pre-lease/ BTS	1,105,286	Non-SEZ	Under-construction

**Refers to Developable area* *Source: Architect's Certificate, Rent Rolls, Lease Deeds/Leave and License Agreements*

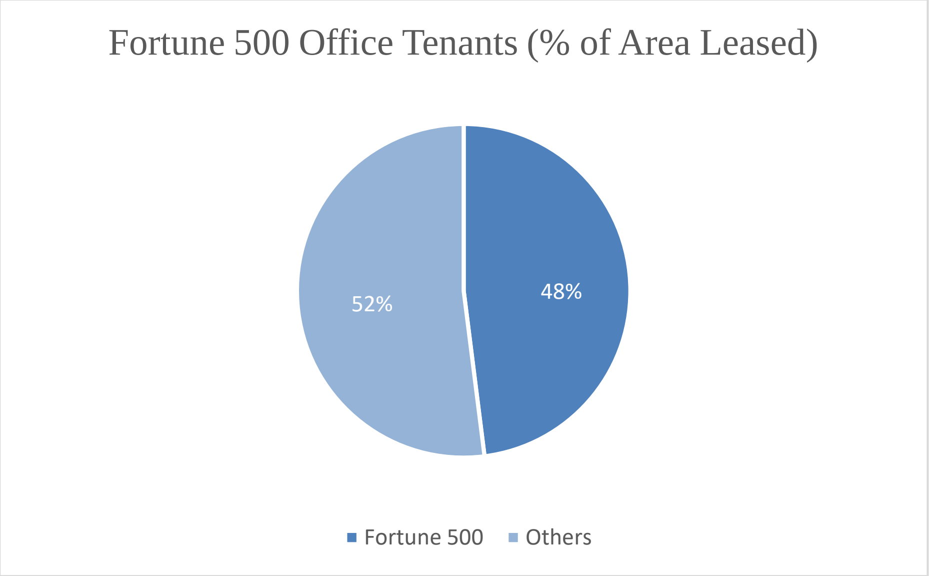
Embassy Techvillage is planned as an integrated development with commercial, retail and hospitality developments. The Tech Park offers various quality amenities to its employees including Food Courts, F&B outlets, Gym, Sports Facilities, Medical Centre and Recreation Centers. Spread across approx. 84 Acres, Embassy TechVillage comprises of 6.1 mn. sq. ft. of operational assets and 3.8 mn. sq. ft. of assets under construction (which includes 2.9 mn. sq. ft. of commercial development, 0.1 mn. sq. ft. of retail development and 0.8 mn. sq. ft. of Hospitality & Convention Centre)

Embassy TechVillage is also the winner of MIPIM Asia Green Building award and is an IGBC Green Campus. The campus has around 97.3% occupancy and houses many multinational companies as prominent tenants.

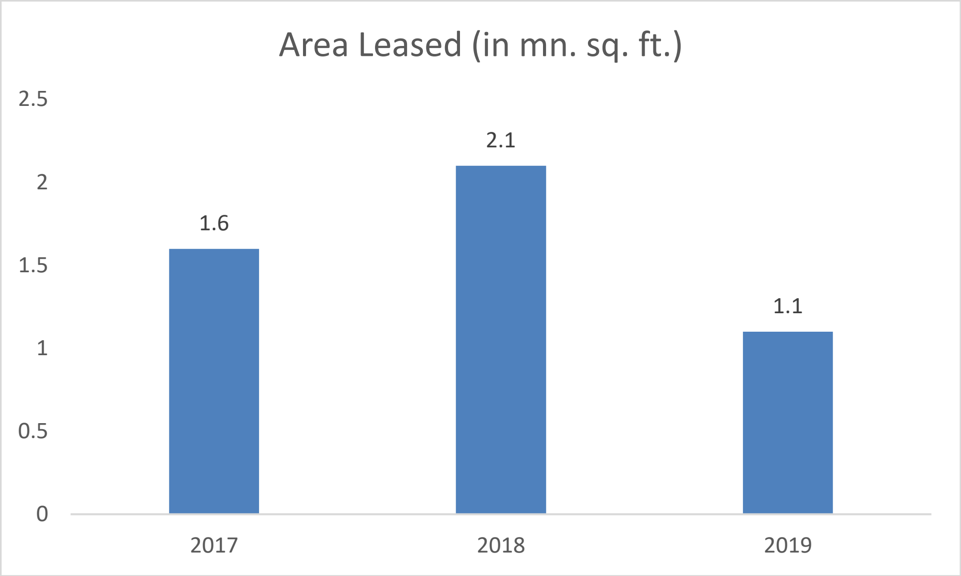
Tenant Mix



In Embassy TechVillage out of the total tenants, 31 are international tenants and 11 are domestic tenants.



Embassy TechVillage has a significant portion of its leased area occupied by Fortune 500 companies. About 48% of the leased area is occupied by Fortune 500 companies. The remaining 52% of the leased area is occupied by other companies.



There was a significant increase in the net area leased from 1.6 mn. sq. ft. in 2017 to 2.1 mn. sq. ft. in the year 2018 due to addition of block 5.

3.1 Key Asset Information

Completed Buildings

Particulars	Details
Entity:	Vikas Telecom Private Limited (VTPL) & Sarla Infrastructure Private Limited (SIPL)
Interest owned by[1] (%)*:	EOVPL – 60% (shareholding in VTPL) Garg Family – 40% (shareholding in VTPL) Wholly owned by VTPL
Age of building based on the date of occupancy certificate:	Block 2A-Aster- 9 years 6 months Block 2A-West Wing- 5 years 9 months Block 2B-Hibiscus- 11 years 11 months Block 2C- Lilac- 11 years 2 months Block 1A- Carnation- 3 years 6 months Block 7B- Primrose- 3 years Block 2D-Gardenia- 11 years 11 months Block 5- 2 years 2 months
Asset type:	Tech Park with 7 SEZ blocks and 1 Non-SEZ block
Sub-market:	Outer Ring Road (Sarjapur-Marathahalli)
Approved and existing usage:	Commercial Office/IT SEZ
Site Area (acres):	~84.05
Freehold/Leasehold:	Freehold of 82.15 acres + Leasehold of 1.9 acres
Leasable Area[2]:	6.1 Million sq. ft.
Occupied Area:	6.0 Million sq. ft.
Occupancy (%)[3]	97.3%
Number of Tenants	42

Source: Architect Certificate, Title Report

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

Notes:

1. *Refer company structure set out in Annexure 2*
2. *The Client has obtained occupation certificate for the complete leasable area admeasuring 6.1 Million sq. ft.*
3. *Occupancy refers to proportion of area leased which is actively occupied by the tenants out of the total area that has received OC*

Under-construction Buildings

Particulars	**Details**
Interest owned by (%)*:	**ETV:** EOVPL- 60% (shareholding in VTPL) Garg Family- 40% (shareholding in VTPL) Wholly owned by VTPL
	SIPL: Wholly owned by EPDPL
Expected completion date of construction:	Block 8A– December 2023 Block 8B - December 2023 Block 8C– March 2024 Block 8D- March 2024 Retail – September 2024 Convention Centre- September 2024 Hotel 3 Star- September 2024 Hotel 5 Star- September 2024 Block 9- JPM pre-lease/ BTS - December 2021
Asset type:	Commercial Office/IT SEZ
Approved Usage:	Commercial office, Hotel and Retail portion
Leasable Area:	~3.1 Million sq. ft. (along with ~0.8 Million sq. ft. of developable area of Hospitality and Convention Centre)
Status of construction:	Under-construction

Particulars	Details
Approvals received and pending as on Valuation Date	List of approvals detailed in Annexure 5

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

3.2 Property Inspection

The Subject property comprising 4 operational blocks was physically inspected on 27th and 28th November 2019. The inspection comprised visual inspection of operational buildings comprising the property and visits to key utility areas like LT/HT Electric Room, Pump Room, HVAC installations, STP, HSD Yard, DG Bank, Chiller Plants, Lift Cores, Transformer Yard, Cooling Tower, BMS Room, Main Electrical Room and Multi Level Car Parking. The common areas within the buildings were visited on a sample basis as the areas under tenant occupation had access restriction.

Block 1A-Carnation is let out to a single tenant, namely WELLS FARGO. The utilities located in the block were exclusive to the block. HSD Yard for the block is located on an open plot next to the building. The block also has DG yard next to the building with the HT room located adjacent to the DG yard. The LT Room for the block is located on the Ground Floor, and the HVAC/Chiller plant as well as the cooling towers (A.C & W.C) are located on the Terrace of the building. The block also has a pump room in Basement 2 and a Sewage Treatment Plant located in Basement 1 and 2. Consisting of 2 lift cones, the block provides 16 passenger lifts and 2 service lifts.

Block 2 consists of 4 towers namely A, B, C & D. The block has a HVAC room with 4 chillers serving Tower A to D and is located in Block 2D (Utility Block). The pump room is located in the basement of Block 2D. The block also has a BMS room with AHU Controls and HVAC monitoring, located in the Ground Floor of Block 2D. It was noted that there are separate fire panels in the reception for each tower. The main electrical room for the block is also located in the Ground Floor of the block where the HT & LT panels are co-located. The DG Yard for the block is located behind Block 7. The STP for the block is located in the Basement of Block 2-A East wing. The East wing consists of 10 passenger lifts and 2 service lifts. The Block 2A-West Wing consists of 7 passenger lifts and 1 service lift.

Block 7 is a G+10 storeys with two wings. The block has a total of 16 passenger lifts with 8 lifts for each wing. The pump room and the STP for the building is located in Basement 2 of the building. The HVAC Room serving Block 7 is located on the Terrace of the building. There is also a Multi-Level Car Parking Facility in the Block with a capacity of 125 cars per floor of the building. The BMS Room, LT Panel and 8 DG banks serving Block 7 and the MLCP, are located in the Ground Floor of the MLCP. It was noted that the lobby areas consisted of separate fire panels. The HSD Yard and the Transformer Yard with a single transformer were located on an open plot outside the building.

Block 5 of Embassy TechVillage has 12 towers namely Tower A-L. The block has 2 food courts located in Tower D and K. The block has 3 DG rooms and 3 Electrical rooms, each serving the needs of Tower A, B, C & D; Tower E, F, G & H; Tower I, J, K & L respectively. The STP is common for the whole block and is located in Tower F. The pump room for Tower F, G, H, I, J & K is located in basement 1 of Tower L, and for Tower A, B, C, D, E & L is located in basement 1 of Tower C. The BMS room with CCTV monitoring, Fire Panel and BTU metre serving the entire block is located in basement 1 of Tower E. The HVAC room and Cooling tower with 2 Air Coolers and 3 Water Chillers serving Tower A, B, C, D & E is located on the terrace of Tower A. The HVAC room with 2 Air Cooler and 3 Water Cooler chillers serving Tower F, G, H, I, J, K & L is located on the terrace of Tower H. The Block has a total of 45 passenger lifts spread between each tower.

The under-construction blocks of the subject property was physically inspected on 27th November 2019. This comprises of office development with 1.84 Million sq. ft., hotel development with 0.7 Million sq. ft., retail development with 0.14 Million sq. ft. and convention centre with 0.06 Million sq. ft. and JPM pre-lease/ BTS with 1.07 Million sq. ft., which are currently under construction.

Block 9- JPM pre-lease/ BTS has 3 towers namely Tower A, B and C. Tower A & C has G+10 storeys while Tower B is having a G+4 configuration. As on date of the site inspection we understand that approximately 30% of the civil work is completed, based on the information share by the project team. For tower A the construction till 1st floor is completed, for Tower B the construction of ground floor is completed and for tower C the construction till 2nd floor is completed.

As on date of the site inspection, the excavation work is in progress for the remaining under construction blocks. The visual inspection of the buildings did not reveal any cause of concern with no visible signs of any disrepair or ill maintenance. The utility areas also appeared well maintained, visually. No instances of any major logging or water accumulation was observed during the inspections. The property inspections did not comprise any structural survey, technical/engineering review or safety audit and the assessment of the condition of the building, its utilities and campus infrastructure are based completely on visual survey.

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 J.S.A. 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 top ten tenants on a sample basis

d. Masterplan/ Development plan applicable in the jurisdiction of the Subject property.

e. Management representation regarding the following:

   i. Major repairs undertaken and proposed in the Subject property (please refer Annexure 9)

   ii. Statement of Assets

   iii. Revenue pendency, if any

   iv. Options or rights of pre-emption and any other encumbrances concerning or affecting the property.

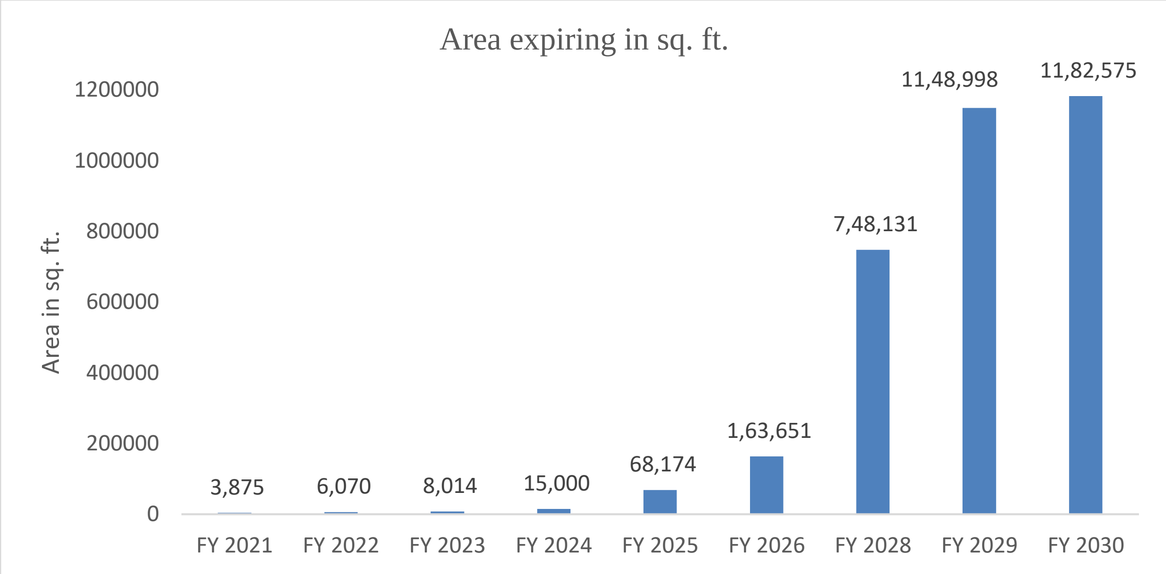
3.4 Tenant Profile

As on 30th September 2020, Subject property has 42 tenants (for office space). The Subject property's top 10 tenants account to ~67.9% of the Gross Rental income.

Rank	Top 10 tenants according to Gross Rentals	Share of Gross Rentals
1	Tenant 1	14.6%
2	Tenant 2	12.9%
3	Tenant 3	8.0%
4	Tenant 4	6.6%
5	Tenant 5	5.8%
6	Tenant 6	5.7%
7	Tenant 7	4.4%
8	Tenant 8	3.5%
9	Tenant 9	3.3%
10	Tenant 10	3.0%
TOTAL		**67.9%**

3.5 Lease Expiry Profile

The Weighted Average Lease Expiry (WALE) of the property is 9.7 years, with 55.5% of occupied area expiring between FY 2021 and FY 2030 as shown in the chart below.



4 Valuation Approach & Methodology

4.1 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, major tenancy 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.

4.2 Micro-market Review:

1. 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.
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.

4.3 Cash Flow Projections:

1. The cash flows for the operational and under-construction/proposed area has 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 flows 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.
5. The CAM Margin for the operational and under-construction/proposed area has been projected to arrive at their respective value estimates. Going forward annual escalation on CAM Margin has been assumed and net income was arrived after making adjustment for operating expenses and management fees. The net income on yearly basis have been projected over 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. The yearly cash flow 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 flow.

5 Assumptions considered in Valuation (DCF Method)

The following assumptions have been made to arrive at the market value of the Subject property as on 30th September 2020:

Cashflow Period	Unit	Details
Valuation Date		30-Sep-20
Cashflow period	Years	10
Cashflow exit period	End date	30-Sep-30

5.1 ETV Valuation

2.1.1 Operational Office Block

Property details

Property Details	Unit	Details
Total Property Leasable Area	Million sq.ft.	6.1
Area Leased	Million sq.ft.	6.0
Leased	%	98.2%
Vacant Area	Million sq.ft.	0.1
Vacancy	%	1.85%
Stabilized Vacancy	%	2.0%
Further leasing	Million sq.ft.	-
Existing Lease rollovers	%	99.8%
Rent Free Period-Existing Lease Roll Overs	Months	1.0
Rent Free Period- New Lease	Months	4.0
4W Slots-Paid	Number	7,399

- **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.

Revenue Assumptions

Revenue Assumptions	Unit	Details
Achievable Market Rent - Office	Per sq.ft./month	INR 90.00
Achievable Market Rent - Food Court	Per sft/month	INR 200.00
Retail Tenant Rent	Per sq.ft./month	INR 200.00
Market 4 W Parking Rent	Per slot/month	INR 4,750
Other income	% of Lease Rentals	1.25%
Market Rent growth rate	% p.a.	5.00%
Parking income growth rate	% p.a.	5.00%
Normal Market lease tenure	years	5 years
Normal market escalation at end of every	years	3 years of lease tenure
Market escalation at end of escalation period	%	15.0%

- **Achievable Market rent - Office**

The total net absorption of commercial office space in ORR during 2018 has been approximately 5.1 million sq. ft. and as in 2019 total net absorption was approximately 4.7 million sq. ft. This space was leased in the warmshell rental range of INR 85-96 per sq. ft. per month.

Prominent Lease Transactions in 2019 and as on Q3 2020:

Tenant	Development	Location	Area Leased (sq. ft.)	Time of Transaction	Rent (INR per sq. ft. per month)	Type of Facility
Deloitte	Salarpuria Softzone	ORR (Sarjapur-Marathahalli)	150,000	Q1 2019	90	Warm Shell
Nutanix	Prestige Tech Park (Mercury)	ORR (Sarjapur-Marathahalli)	196,571	Q2 2019	96	Warm Shell
Google	Bagmane Capital-Kyoto-East Tower	ORR (Marathahalli-KR Puram)	450,000	Q2 2019	87	Warm Shell
Vmware	Global Technology Park (Block D & E)	ORR (Sarjapur-Marathahalli)	200,000	Q3 2019	91	Warm Shell
First Abu Dhabi Bank	Bagmane Capital-Luxor	ORR (Marathahalli-KR Puram)	128,000	Q1 2020	92	Warm shell
GSK	Bagmane Capital-Luxor	ORR (Marathahalli-KR Puram)	145,000	Q2 2020	93	Warm shell
BNP Paribas	Bagmane Capital-Luxor	ORR (Marathahalli-KR Puram)	60,000	Q2 2020	93	Warm shell
Intel	RMZ Ecospace	ORR (Sarjapur-Marathahalli)	500,000	Q3 2020	87	Warm shell

Source: Secondary Market Research

Considering the location, accessibility, quality, size of the building, and keeping in view the limited future supply in the ORR (Sarjapur-Marathahalli) micro market and the upcoming Metro Corridor will have a positive impact on the rentals hence it can reasonably be assumed that Subject office space shall be able to command a monthly rental of INR 90 per sq. ft. per month.

- Considering the Covid-19 scenario, the achievable market rent has been assumed to be stagnant for the next 18 months upto March 2022. Thereafter increasing by 7% in the first and second year upto March 2024 and by 6% in the third year upto March 2025, before stabilizing at the annual growth rate of 5%.

- **Market rent – 4W parking**: Rent for car parks are assumed at INR 4,750 per slot per month in line with the current rentals for paid car parks on Outer Ring Road.

- **Other income:** Analysis of the historical trend of other income suggest a normalised level of other income can be achieved in the future. Accordingly, we have considered other income at 1.25% of lease rental and an annual inflation of 5%. Other income includes Car Park, Signage, ATM, Telecom Tower, Kiosk, Event, Vending Machine, service connection and other charges and miscellaneous income.
- **Land Lease Rent** - Land area of 4 acres is given on lease for an initial period of 20 years where JPM pre-lease/ BTS is being developed. Currently, balance lease period is 19 years and thereafter the lease is renewable for two additional period of 10 years each. As per the land lease agreement, lease rent of INR 93.6 Million with rent escalation of 15% at the end of every 3 years has been considered with the assumption that lease would get renewed at the end of each lease term.

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 2.50
Insurance	Per sq.ft./month	INR 0.24
Cost escalation	% p.a.	3.0%
Transaction cost on sale	% of Terminal Value	1.0%
Other Operating Expenses	% of Lease Rentals	1.0%
Property Management Fees	% of Operating Income	3.0%

- **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 as INR 2.50 per sq. ft./ month and INR 0.24 per sq. ft./month respectively projected to increase at 3% per annum.
- **Other operating expenses** and have been assumed at 1% of the lease rentals. The other expenses account for minor repairs and maintenance to 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 and parking 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 Under Construction Office Block (Block 8A, 8B, 8C, 8D)

Property details

Property Details	Unit	Details
Total Property Leasable Area	Million sq. ft.	1.8
Stabilized Vacancy	%	2.0%
Further leasing (office)	Million sq. ft.	1.3
Existing Lease rollovers	%	100.0%
Rent Free Period-Existing Lease Roll Overs	Months	1.0
Rent Free Period- New Lease	Months	4.0
Total 4W parking slots	Number	2,353
Paid 4W Slots	Number	2,353

- **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.
- As per the lease agreement JPM pre-lease/ BTS has option to exercise Hard Option of 544,200 sq. ft. of area in the under-construction office segment which has been assumed to be exercised.
- Further leasing of 1.26 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
Start Date of Construction		01-July-2020
End Date of Construction		31-March-2024
Total Construction Cost	INR Million	8,657
Construction Cost Incurred till Date	INR Million	301
Construction Cost to be Incurred	INR Million	8,357

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 90.00
Market 4 W Parking Rent	Per slot/month	INR 4,750
Other income	% of Lease Rentals	1.25%
Market Rent growth rate	% p.a.	5.00%
Parking Parking income growth rate	% p.a.	5.00%
Normal Market lease tenure	years	5 years
Normal market escalation at end of every	years	3 years of lease tenure
Market escalation at end of escalation period	%	15.0%

- **Achievable Market rent - office:** It has been considered in line with the achievable market rent for completed area at INR 90 per sq. ft. per month.

- Considering the Covid-19 scenario, the achievable market rent has been assumed to be stagnant for the next 18 months upto March 2022. Thereafter increasing by 7% in the first and second year upto March 2024 and by 6% in the third year upto March 2025, before stabilizing at the annual growth rate of 5%.

Operating Cost Assumptions

Cost Assumptions	Unit	Details
Brokerage cost (New Lease)		2 Month Rent
Brokerage cost (Renewal/Release)		1 Month Rent
Current CAM/ O&M cost	Per sq.ft./month	INR 11.24
Property Tax	Per sq.ft./month	INR 2.50
Insurance	Per sq.ft./month	INR 0.24
CAM Escalation	% p.a.	5%
Cost escalation	% p.a.	3%
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 lease 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, other operating income and fit-out income
- **Transaction cost** has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.

2.1.3 JPM pre-lease/ BTS Valuation (Under Construction)

Property details

Property Details	Unit	Details
Total Property Leasable Area	Million sq. ft.	1.1
Area Leased	Million sq. ft.	1.1
Leased	%	100.00%
Vacant Area	Million sq. ft.	-
Vacancy	%	0.0%
Stabilized Vacancy	%	0.0%
Further leasing (office)	Million sq. ft.	-
Existing Lease rollovers	%	100.0%
Rent Free Period-Existing Lease Roll Overs	Months	1.0
Rent Free Period- New Lease	Months	6.0
Total 4W parking slots	Number	1,726
Paid 4W Slots	Number	1,726

- **Rent-free period:** As per the lease agreement shared by the client, rent-free period of six month has been considered.

Construction related assumptions

Construction Related Assumptions	Unit	JPM pre-lease/ BTS
Current Status of Construction		Under Construction
Total Construction Cost	INR Million	4,845
Construction Cost Incurred till Date	INR Million	2,145
Construction Cost to be Incurred	INR Million	2,700

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 80.00
Market 4 W Parking Rent	Per slot/month	INR 4,500
Other income	% of Lease Rentals	1.0%
Market Rent growth rate	% p.a.	5.00%
Parking Parking income growth rate	% p.a.	5.00%
Normal Market lease tenure	years	5 years
Normal market escalation at end of every	years	3 years of lease tenure
Market escalation at end of escalation period	%	15.0%

- **Market rent - Office:** Market rent for JPM pre-lease/ BTS space has been considered as per lease agreement as INR 80 per sq. ft. per month till lease expiry.
- We have assumed rental income cashflows starting from 1st January 2021 to 1st April 2022 on entire 1.1 Million sq. ft. for the purposes of our valuation. This is based on representation made to us relating to contractual arrangements proposed to be in effect at the date of acquisition whereby

the parties are expected to enter into a rental support and rental guarantee agreement such that all rents for the period intervening date of proposed acquisition to rent commencement date agreed with tenant is paid by the sellers. Accordingly, revenue support of INR 1,441 Million has been considered.

- The terminal value takes into account two quarters of marked to market rental in the 11th year, while capitalising the NOI of 11th year.

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 2.50
Insurance	Per sq.ft./month	INR 0.24
CAM Escalation	% p.a.	5%
Cost escalation	% p.a.	3%
Transaction cost on sale	% of Terminal Value	1.0%
Other Operating Expenses	% of Lease Rentals	1.0%
Development Management Fees	% of Cost to be Incurred	5.0%
Property Management Fees	% of Lease Rentals	3.0%

- **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 lease 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, **development management fees** have been assumed at 5% of balance construction cost to be incurred and **property management fees** have been assumed at 3% of lease rentals, parking income, other operating income and fit-out income.
- Transaction cost has been assumed at 1% of the terminal value and is expected to be incurred towards brokerage, transaction fees, etc.

2.1.4 Under Construction - Retail Block

Property details

Property Details	Unit	Details
Total Property Leasable Area	Million sq. ft.	0.1
Area Leased	Million sq. ft.	-
Leased	%	0.00%
Vacant Area	Million sq. ft.	0.1
Vacancy	%	100.0%
Stabilized Vacancy	%	5.0%
Further leasing (retail)	Million sq. ft.	0.1
Existing Lease rollovers	%	100.0%
Rent Free Period-Existing Lease Roll Overs	Months	1.0
Rent Free Period- New Lease	Months	4.0
Estimated leasing period-Retail	No. of quarter	2.0

- **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.
- Further leasing of 0.085 million sq. ft. has been assumed after incorporating a 5% stabilised vacancy which is a standard for Grade A retail properties.

Construction related assumptions

Construction Related Assumptions	Unit	Retail
Start Date of Construction		01-April-2020
End Date of Construction		30-September-2024
Total Construction Cost	INR Million	634
Construction Cost Incurred till Date	INR Million	14
Construction Cost to be Incurred	INR Million	621

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

Revenue Assumptions

Revenue Assumptions	Unit	Details
Market Rent - Retail	Per sq.ft./month	INR 81.00
Other income	% of Lease Rentals	1.25%
Market Rent growth rate	% p.a.	5.00%
Parking Parking income growth rate	% p.a.	5.00%
Normal Market lease tenure	years	5 years
Normal market escalation at end of every	years	3 years of lease tenure
Market escalation at end of escalation period	%	15.0%

- **Market rent - Retail:** Market rent for Retail space has been considered in line with the market rent for completed area at INR 81 per sq. ft. per month.

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 2.50
Insurance	Per sq.ft./month	INR 0.24
CAM Escalation	% p.a.	5%
Cost escalation	% p.a.	3%
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 lease 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, 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

2.1.5 Under Construction – Hospitality Block

Property details

Particulars	5 Star Hotel	3 Star Hotel	Convention Center
Developable Area	729,445		53,224
Number of Keys	311	207	NA

Construction related assumptions

Construction Related Assumptions	Unit	Hospitality
Start Date of Construction		31-March-2020
End Date of Construction		30-September-2024
Total Construction Cost	INR Million	8,344
Construction Cost Incurred till Date	INR Million	173
Construction Cost to be Incurred	INR Million	8,171

Revenue Assumptions

Hilton- 5 star												
			Construction Year				Operation Year					
Operating Revenues		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Food & Beverage Revenue	% of Rooms Revenue						25.0%	30%	45%	45%	45%	45%
Convention Centre Revenue	% of Rooms Revenue						25.0%	30%	35%	35%	35%	35%
Other Operated Departments Revenue	% of Rooms Revenue						15.0%	20%	25%	25%	25%	25%
ARR in today's prices - Rooms (INR/Room/Night)			7,800	7,800	8,190	8,681	9,289	10,032	10,734	11,486	12,060	12,663
Increase in ARR (YoY)			0.0%	0.0%	5.0%	6.0%	7.0%	8.0%	7.0%	7.0%	5.0%	5.0%

- **Average Room Rent (ARR):** ARR in today's price for 5-star hotel has been considered in line with the ARR for comparable hotels on Outer Ring Road at INR 7,800/ Room/ Night. Keeping in mind the historical trend of ARR, the current pandemic situation and limited upcoming supply of hotels on outer ring road, the Increase in ARR is assumed at 5% in Year 3, 6% in Year 4, 7% in Year 5, 8% in Year 6, 7% in Years 7 and 8 and 5% Y-o-Y thereafter.
- **Occupancy:** for 5-star hotel occupancy of 25% is considered in the first year of operation and we have assumed it to be stabilized at 72% from 5th year of operation.

Hilton- 3 star											
		Construction Year				Operation Year					
Operating Revenues		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Food & Beverage Revenue	% of Rooms Revenue					25.0%	30%	45%	45%	45%	45%
Convention Centre Revenue	% of Rooms Revenue					20.0%	25%	30%	30%	30%	30%
Other Operated Departments Revenue	% of Rooms Revenue					15.0%	20%	25%	25%	25%	25%
ARR in today's prices - Rooms (INR/Room/Night)		5,000	5,000	5,250	5,565	5,955	6,431	6,881	7,363	7,731	8,117
Increase in ARR (YoY)		0.0%	0.0%	5.0%	6.0%	7.0%	8.0%	7.0%	7.0%	5%	5%

- **Average Room Rent (ARR):** ARR in today's price for 3-star hotel has been considered in line with the ARR for comparable hotels on Outer Ring Road at INR 5,000/ Room/ Night. Keeping in mind the historical trend of ARR, the current pandemic situation and limited upcoming supply of hotels on outer ring road, the Increase in ARR is assumed at 5% in Year 3, 6% in Year 4, 7% in Year 5, 8% in Year 6, 7% in Years 7 and 8 and 5% Y-o-Y thereafter.
- **Occupancy:** for 3-star hotel occupancy of 25% is considered in the first year of operation and we have assumed it to be stabilized at 75% from 5th year of operation.

Operating Cost Assumptions

Hilton- 5 star												
		Construction Year					Operation Year					
Departmental Operating Expenses		**Year 0**	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rooms Cost (Including employee cost)	% of Rooms Revenue						70.0%	40%	25%	20%	20%	20%
Food & Beverage Cost	% of F&B Revenue						60.0%	55.0%	45.0%	45.0%	45.0%	45.0%
Convention Centre Expense	% of Convention Centre Revenue						55.0%	50.0%	40.0%	40.0%	40.0%	40.0%
Other Operation Departments Cost	% of OOD Revenue						35.0%	35%	30%	30%	30%	30%
Undistributed Operating Expenses & Fixed Expenses		**Year 0**	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Administration & General Cost	% of Total Revenue						8%	6%	5%	5%	5%	5%
Sales & Marketing Expenditure	% of Total Revenue						10%	8%	6%	5%	5%	5%
Repairs & Maintenance	% of Total Revenue						2%	2%	2%	3%	3%	3%
Cost of Power, Fuel & Water	% of Total Revenue						9%	8%	7%	7%	6%	5%
Insurance	INR/Sq.ft.Month	1.0	1.05	1.10	1.16	1.22	1.28	1.34	1.41	1.48	1.55	1.63
Property Tax	INR/Sq.ft.Month	2.5	2.63	2.76	2.89	3.04	3.19	3.35	3.52	3.69	3.88	4.07
Other rents & taxes	INR/Sq.ft.Month	2.0	2.10	2.21	2.32	2.43	2.55	2.68	2.81	2.95	3.10	3.26
Insurance	% Increase YOY	5.0%										
Property Tax	% Increase YOY	5.0%										
Other rents & taxes	% Increase YOY	5.0%										
Management Fees & Brand Costs		**Year 0**	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Technical Services Fee												
Base Fee	% of Total Revenue						1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
Incentive Fee	<35% GOP	4.5%					4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	35%-40% GOP	5.0%					5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	>40% of GOP	5.5%					5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
FF&E Reserve	% of GOP	1.0%					1%	1%	1%	1%	1%	1%

Hilton- 3 star												
			Construction Year				Operation Year					
Departmental Operating Expenses			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rooms Cost (Including employee cost)	% of Rooms Revenue						50.0%	40%	20%	20%	20%	20%
Convention Centre Expense	% of Convention Centre Revenue						60.0%	50.0%	40.0%	40.0%	40.0%	40.0%
Food & Beverage Cost	% of F&B Revenue						55.0%	50.0%	40%	40%	40%	40%
Other Operation Departments Cost	% of OOD Revenue						35.0%	35%	30%	30%	30%	30%
Undistributed Operating Expenses & Fixed Expenses			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Administration & General Cost	% of Total Revenue						8.0%	6%	5%	5%	5%	5%
Sales & Marketing Expenditure	% of Total Revenue						6.0%	5%	3.0%	3.0%	3.0%	3.0%
Repairs & Maintenance	% of Total Revenue						2.0%	2%	3%	3%	3%	3%
Cost of Power, Fuel & Water	% of Total Revenue						9.0%	8%	6%	6%	6%	6%
Insurance	INR/Sq.ft.Month	1.0	1.05	1.10	1.16	1.22	1.28	1.34	1.41	1.48	1.55	1.63
Property Tax	INR/Sq.ft.Month	2.5	2.63	2.76	2.89	3.04	3.19	3.35	3.52	3.69	3.88	4.07
Other rents & taxes	INR/Sq.ft.Month	2.0	2.10	2.21	2.32	2.43	2.55	2.68	2.81	2.95	3.10	3.26
Insurance	% Increase YOY	5.0%										
Property Tax	% Increase YOY	5.0%										
Other rents & taxes	% Increase YOY	5.0%										
Management Fees & Brand Costs			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Technical Services Fee	% of Rooms Revenue											
Base Fee	% of Total Revenue						1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
Incentive Fee	<35% GOP	4.5%					4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	35%-40% GOP	5.0%					5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	>40% of GOP	5.5%					5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
FF&E Reserve Y1	% of GOP	1.0%					1%	1%	1%	1%	1%	1%

- **Base Fee (% of Total Revenue):** Base fee of 1.25% for year 1 and year 2, 1.50% for year 3 and year 4, 1.75% from year 5 onwards is considered as informed by the client.
- **Incentive Fee:** As per the management terms shared by the client the incentive fee of 4.5% is applicable if the GOP % is less than 35%. It is 5% if the GOP is between 35% to 40% and it is 5.5% if the GOP is more than 40%.
- **FF&E Reserve (% of GOP):** FF&E reserve of 1% is considered which is in line with the market practice for Hotel industry.

5.2 CAM Valuation - ETV

2.3.1 ETV CAM Valuation

Common Area Maintains service in ETV Park is currently provided by Embassy Services Private Limited. In addition, area under- construction shall also be managed by Embassy Services Private Limited on completion.

Key Assumptions

Existing Operational Office Blocks	Total area of ~6.1 million sq. ft. Mix of SEZ & non SEZ	The revenue of CAM is linked to the margin earned for the facility, the growth in the revenues is in line with the inflation expectation of 5%.
Under-Construction space (Office Block 8-ABCD, Retail Block and JPM pre-lease/ BTS)	Total area of ~3.1 million sq. ft.	For the under-construction blocks revenue and margin of existing operational office block is considered as a base to compute the projected cash flows.

Revenue & Financial Assumptions

Particulars	Unit	Information
Current CAM Margin	INR/sq. ft. /month	4.42 - 4.70
Management Fees	INR/sq. ft. /month	0.5
CAM Margin Growth Rate	%	5

Discount Rate & Capitalisation rate assumptions

- **Capitalization Rate: (Office & Retail Development and CAM)**

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

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

  Capitalization Rate: (Hospitality Development)

  We have evaluated the historic data of listed large and medium Hotel Companies and have arrived at an average multiple. We have evaluated the historical data of listed large and medium Hotel Companies and have arrived at an average EV / EBIDTA multiple. For the purpose of calculating the EV / EBIDTA multiple, we have determined historical multiples of listed companies in the hospitality segment (large and medium) such as Indian Hotels, EIH, Taj GVK, Kamat Hotels, etc. from 2003 onwards. The average EV / EBIDTA multiple of these companies is considered to determine an industry average.

  By considering an industry average of EV / EBIDTA multiple, we have synchronized the multiples of high growth companies and medium growth companies to arrive at a rational EV / EBIDTA multiple.

  This average EV/EBITDA multiple is in the range of 13 to 14 times. In other words, this translates to a capitalization rate of 7.14%.

- **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 11.75% for operational segment (including CAM), 13.63% for Hospitality segment, 13.10% for under construction Office & Retail segment and 12.40% for JPM pre-lease/ BTS 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.

6 Market Value

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

Components	Value in (₹ Mn)
ETV	**91,310**
Completed	*78,666*
Under Construction	*12,644*
JPM pre-lease/ BTS (Under Construction)	**11,507**
Total	**1,02,817**

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

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

Prepared by

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

D ANNEXURES

Annexure 1: Cash Flows

Completed area with OC

Particulars	Unit		01-Oct-20	01-Oct-21	01-Oct-22	01-Oct-23	01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29
		30-Sep-20	30-Sep-21	30-Sep-22	30-Sep-23	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30
OPERATING INCOME												
Lease Rentals	INR Million		4,967.3	5,267.8	5,498.7	5,692.8	6,073.6	6,259.0	6,550.1	7,089.3	7,599.0	8,091.3
Parking Income	INR Million		233.2	246.4	324.3	340.7	364.3	382.3	403.1	462.6	537.7	575.8
O&M income	INR Million		-	-	-	-	-	-	-	-	-	-
Other Income (Kiosk and Conference)	INR Million		62.1	65.8	68.7	71.2	75.9	78.2	81.9	88.6	95.0	101.1
Cafeteria Income	INR Million		-	-	-	-	-	-	-	-	-	-
Total Income	INR Million		5,262.6	5,580.0	5,891.7	6,104.6	6,513.8	6,719.5	7,035.1	7,640.5	8,231.7	8,768.2
Total Income from occupancy	**INR Million**		**5,262.6**	**5,580.0**	**5,891.7**	**6,104.6**	**6,513.8**	**6,719.5**	**7,035.1**	**7,640.5**	**8,231.7**	**8,768.2**
OPERATING COSTS												
O&M cost	INR Million		(17.0)	(17.8)	(18.7)	(19.6)	(20.6)	(21.7)	(22.7)	(23.9)	(25.1)	(26.3)
Insurance Cost	INR Million		(17.7)	(18.3)	(18.8)	(19.4)	(20.0)	(20.6)	(21.2)	(21.8)	(22.5)	(23.1)
Property Taxes	INR Million		(186.9)	(192.5)	(198.3)	(204.2)	(210.4)	(216.7)	(223.2)	(229.9)	(236.8)	(243.9)
Total Operating Costs	**INR Million**		**(221.6)**	**(228.6)**	**(235.8)**	**(243.2)**	**(250.9)**	**(258.9)**	**(267.1)**	**(275.5)**	**(284.3)**	**(293.3)**
Net operating Income	**INR Million**		**5,041.0**	**5,351.4**	**5,655.9**	**5,861.4**	**6,262.9**	**6,460.6**	**6,768.0**	**7,365.0**	**7,947.4**	**8,474.9**
Terminal Value	INR Million		-	-	-	-	-	-	-	-	-	1,11,497.3
Transaction Cost	INR Million		-	-	-	-	-	-	-	-	-	(1,115.0)
Fit Out Income	INR Million		462.6	462.6	302.3	66.8	11.8	-	-	-	-	-
Total Net income	**INR Million**		**5,503.6**	**5,814.0**	**5,958.2**	**5,928.2**	**6,274.6**	**6,460.6**	**6,768.0**	**7,365.0**	**7,947.4**	**1,18,857**
Property Mangement Fees	**INR Million**		(156.0)	(165.4)	(174.7)	(181.0)	(193.1)	(199.2)	(208.6)	(226.6)	(244.1)	(260.0)
Other Operating Expenses (R&M, Legal, Professional, Bad Debts and Rates and Taxes)	INR Million		(52.0)	(55.1)	(58.2)	(60.3)	(64.4)	(66.4)	(69.5)	(75.5)	(81.4)	(86.7)
Brokerage Expenses	INR Million		(0.8)	(0.8)	(2.9)	(5.6)	(5.9)	(47.4)	(35.0)	(225.4)	(196.7)	(33.4)
Net Cashflows	**INR Million**	**0**	**5,295**	**5,593**	**5,722**	**5,681**	**6,011**	**6,148**	**6,455**	**6,837**	**7,425**	**1,18,477**

Land on Lease

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Land Rent (INR Mn)	93.60	93.60	107.64	107.64	107.64	123.79	123.79	123.79	142.35	142.35	142.35	163.71	163.71	163.71	188.26	188.26	188.26	216.50	216.50	2629.63
3% Property management fees (INR Mn)	2.81	2.81	3.23	3.23	3.23	3.71	3.71	3.71	4.27	4.27	4.27	4.91	4.91	4.91	5.65	5.65	5.65	6.50	6.50	78.89
Total Rent (INR Mn)	90.79	90.79	104.41	104.41	104.41	120.07	120.07	120.07	138.08	138.08	138.08	158.80	158.80	158.80	182.62	182.62	182.62	210.01	210.01	2550.74

Under-Construction

Office (Block A, B, C & D)

Particulars	Unit	30-Sep-20	01-Oct-20 30-Sep-21	01-Oct-21 30-Sep-22	01-Oct-22 30-Sep-23	01-Oct-23 30-Sep-24	01-Oct-24 30-Sep-25	01-Oct-25 30-Sep-26	01-Oct-26 30-Sep-27	01-Oct-27 30-Sep-28	01-Oct-28 30-Sep-29	01-Oct-29 30-Sep-30
OPERATING INCOME												
Lease Rentals	INR Million		-	-	-	206.4	2,018.2	2,227.1	2,295.9	2,458.2	2,479.5	2,600.8
Parking Income	INR Million		-	-	-	79.8	212.4	223.0	234.1	245.9	258.1	271.1
O&M income	INR Million		-	-	-	-	-	-	-	-	-	-
Other Income (Kiosk and Conference)	INR Million		-	-	-	2.6	25.2	27.8	28.7	30.7	31.0	32.5
Cafeteria Income	INR Million		-	-	-	-	-	-	-	-	-	-
Total Income	INR Million		-	-	-	288.7	2,255.8	2,478.0	2,558.8	2,734.8	2,768.6	2,904.4
Total Income from occupancy	**INR Million**		**-**	**-**	**-**	**288.7**	**2,255.8**	**2,478.0**	**2,558.8**	**2,734.8**	**2,768.6**	**2,904.4**
OPERATING COSTS												
O&M cost	INR Million		-	-	-	(4.5)	(6.2)	(6.5)	(6.8)	(7.2)	(7.5)	(7.9)
Insurance Cost	INR Million		-	-	-	(4.4)	(6.1)	(6.2)	(6.4)	(6.6)	(6.8)	(7.0)
Property Taxes	INR Million		-	-	-	(42.6)	(56.8)	(56.8)	(56.8)	(56.8)	(56.8)	(56.8)
Total Operating Costs	**INR Million**		**-**	**-**	**-**	**(51.5)**	**(69.1)**	**(69.6)**	**(70.1)**	**(70.6)**	**(71.2)**	**(71.8)**
Net operating Income	**INR Million**		**-**	**-**	**-**	**237.2**	**2,186.8**	**2,408.4**	**2,488.7**	**2,664.2**	**2,697.5**	**2,832.6**
Terminal Value	INR Million		-	-	-	-	-	-	-	-	-	37,761.1
Transaction Cost	INR Million		-	-	-	-	-	-	-	-	-	(377.6)
Fit Out Income	INR Million		-	-	-	-	-	-	-	-	-	-
Total Net income	**INR Million**		**-**	**-**	**-**	**237.2**	**2,186.8**	**2,408.4**	**2,488.7**	**2,664.2**	**2,697.5**	**40,216.1**
Property Mangement Fees	**INR Million**		-	-	-	(8.6)	(66.9)	(73.5)	(75.9)	(81.1)	(82.1)	(86.2)
Other Operating Expenses (R&M, Legal, Professional, Bad Debts and Rates and Taxes)	INR Million		-	-	-	(2.9)	(22.3)	(24.5)	(25.3)	(27.0)	(27.4)	(28.7)
Brokerage Expenses	INR Million		-	-	-	(125.5)	(149.5)	-	-	-	(80.1)	(95.4)
Net Cashflows- Before Construction	**INR Million**		**-**	**-**	**-**	**100**	**1,948**	**2,310**	**2,387**	**2,556**	**2,508**	**40,006**
Construction Cost	**INR Million**	**-301**	**(8,357)**									
Net Cashflows	**INR Million**	**-301**	**(8,357)**	**-**	**-**	**100**	**1,948**	**2,310**	**2,387**	**2,556**	**2,508**	**40,006**

Retail

Particulars	Unit		01-Oct-20	01-Oct-21	01-Oct-22	01-Oct-23	01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29
		30-Sep-20	30-Sep-21	30-Sep-22	30-Sep-23	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30
OPERATING INCOME												
Lease Rentals	INR Million		-	-	-	-	49.4	91.2	91.2	103.2	104.9	105.3
Parking Income	INR Million		-	-	-	-	-	-	-	-	-	-
O&M income	INR Million		-	-	-	-	-	-	-	-	-	-
Other Income (Kiosk and Conference)	INR Million		-	-	-	-	0.6	1.1	1.1	1.3	1.3	1.3
Cafeteria Income	INR Million		-	-	-	-	-	-	-	-	-	-
Total Income	INR Million		-	-	-	-	50.0	92.3	92.3	104.5	106.2	106.6
Total Income from occupancy	**INR Million**		**-**	**-**	**-**	**-**	**50.0**	**92.3**	**92.3**	**104.5**	**106.2**	**106.6**
OPERATING COSTS												
O&M cost	INR Million		-	-	-	-	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)	(1.0)
Insurance Cost	INR Million		-	-	-	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Property Taxes	INR Million		-	-	-	-	(3.1)	(3.2)	(3.3)	(3.4)	(3.5)	(3.6)
Total Operating Costs	**INR Million**		**-**	**-**	**-**	**-**	**(4.1)**	**(4.3)**	**(4.4)**	**(4.5)**	**(4.7)**	**(4.9)**
Net operating Income	**INR Million**		**-**	**-**	**-**	**-**	**45.9**	**88.1**	**87.9**	**99.9**	**101.5**	**101.7**
Terminal Value	INR Million		-	-	-	-	-	-	-	-	-	1,458.9
Transaction Cost	INR Million		-	-	-	-	-	-	-	-	-	(14.6)
Fit Out Income	INR Million		-	-	-	-	-	-	-	-	-	-
Total Net income	**INR Million**		**-**	**-**	**-**	**-**	**45.9**	**88.1**	**87.9**	**99.9**	**101.5**	**1,546.1**
Property Mangement Fees	**INR Million**		-	-	-	-	(1.5)	(2.7)	(2.7)	(3.1)	(3.1)	(3.2)
Other Operating Expenses (R&M, Legal, Professional, Bad Debts and Rates and Taxes)	INR Million		-	-	-	-	(0.5)	(0.9)	(0.9)	(1.0)	(1.0)	(1.1)
Brokerage Expenses	INR Million		-	-	-	-	(15.2)	-	-	-	-	(9.7)
Net Cashflows- Before Construction	**INR Million**		**-**	**-**	**-**	**-**	**29**	**84**	**84**	**96**	**97**	**1,532**
Construction Cost	**INR Million**	**-14**	**(621)**									
Net Cashflows	**INR Million**	**-14**	**(621)**	**-**	**-**	**-**	**29**	**84**	**84**	**96**	**97**	**1,532**

JPM pre-lease/ BTS

Particulars	Unit	30-Sep-20	01-Oct-20 30-Sep-21	01-Oct-21 30-Sep-22	01-Oct-22 30-Sep-23	01-Oct-23 30-Sep-24	01-Oct-24 30-Sep-25	01-Oct-25 30-Sep-26	01-Oct-26 30-Sep-27	01-Oct-27 30-Sep-28	01-Oct-28 30-Sep-29	01-Oct-29 30-Sep-30
OPERATING INCOME												
Lease Rentals	INR Million		-	703.4	1,061.1	1,087.3	1,220.2	1,220.2	1,250.4	1,403.3	1,403.3	1,438.0
Rental Guarantee	INR Million		864.6	576.4	-	-	-	-	-	-	-	-
Parking Income	INR Million		-	62.6	98.7	103.6	108.8	114.2	119.9	125.9	132.2	138.8
O&M income	INR Million		-	-	-	-	-	-	-	-	-	-
Other Income (Kiosk and Conference)	INR Million		-	7.0	10.6	10.9	12.2	12.2	12.5	14.0	14.0	14.4
Cafeteria Income	INR Million		-	-	-	-	-	-	-	-	-	-
Total Income	INR Million		864.6	1,349.4	1,170.4	1,201.8	1,341.2	1,346.7	1,382.8	1,543.2	1,549.5	1,591.2
Total Income from occupancy	**INR Million**		**864.6**	**1,349.4**	**1,170.4**	**1,201.8**	**1,341.2**	**1,346.7**	**1,382.8**	**1,543.2**	**1,549.5**	**1,591.2**
OPERATING COSTS												
O&M cost	INR Million		-	-	-	-	-	-	-	-	-	-
Insurance Cost	INR Million		-	(2.5)	(3.4)	(3.5)	(3.6)	(3.7)	(3.9)	(4.0)	(4.1)	(4.2)
Property Taxes	INR Million		-	(26.1)	(35.7)	(36.8)	(37.9)	(39.0)	(40.2)	(41.4)	(42.6)	(43.9)
Total Operating Costs	**INR Million**		**-**	**(28.6)**	**(39.1)**	**(40.3)**	**(41.5)**	**(42.8)**	**(44.0)**	**(45.4)**	**(46.7)**	**(48.1)**
Net operating Income	**INR Million**		**864.6**	**1,320.8**	**1,131.2**	**1,161.5**	**1,299.7**	**1,303.9**	**1,338.8**	**1,497.9**	**1,502.8**	**1,543.1**
Terminal Value	INR Million		-	-	-	-	-	-	-	-	-	24,392.7
Transaction Cost	INR Million		-	-	-	-	-	-	-	-	-	(243.9)
Fit Out Income	INR Million		-	-	-	-	-	-	-	-	-	-
Total Net income	**INR Million**		**864.6**	**1,320.8**	**1,131.2**	**1,161.5**	**1,299.7**	**1,303.9**	**1,338.8**	**1,497.9**	**1,502.8**	**25,691.9**
Property Mangement Fees	**INR Million**		-	(23.0)	(34.8)	(35.7)	(39.9)	(40.0)	(41.1)	(45.9)	(46.1)	(47.3)
Other Operating Expenses (R&M, Legal, Professional, Bad Debts and Rates and Taxes)	INR Million		-	(10.5)	(11.6)	(11.9)	(13.3)	(13.3)	(13.7)	(15.3)	(15.4)	(15.8)
Brokerage Expenses	INR Million	**-113.5**	-	-	-	-	-	-	-	-	-	-
Net Cashflows- Before Construction	**INR Million**		**864.6**	**1,287.2**	**1,084.8**	**1,113.8**	**1,246.5**	**1,250.5**	**1,284.0**	**1,436.7**	**1,441.4**	**25,628.8**
Construction Cost	**INR Million**	**-2145.0**	**(2,700.0)**	**-**								
DM Fees	**INR Million**		**(135.0)**	**-**								
Sarla land lease rent	**INR Million**		**(93.6)**	**(93.6)**	**(107.6)**	**(107.6)**	**(107.6)**	**(123.8)**	**(123.8)**	**(123.8)**	**(142.4)**	**(1,949.2)**
Net Cashflows	**INR Million**	**-2258.5**	**(2,064.0)**	**1,193.6**	**977.2**	**1,006.2**	**1,138.9**	**1,126.7**	**1,160.2**	**1,312.9**	**1,299.0**	**23,679.6**

Hospitality (5 – Star)

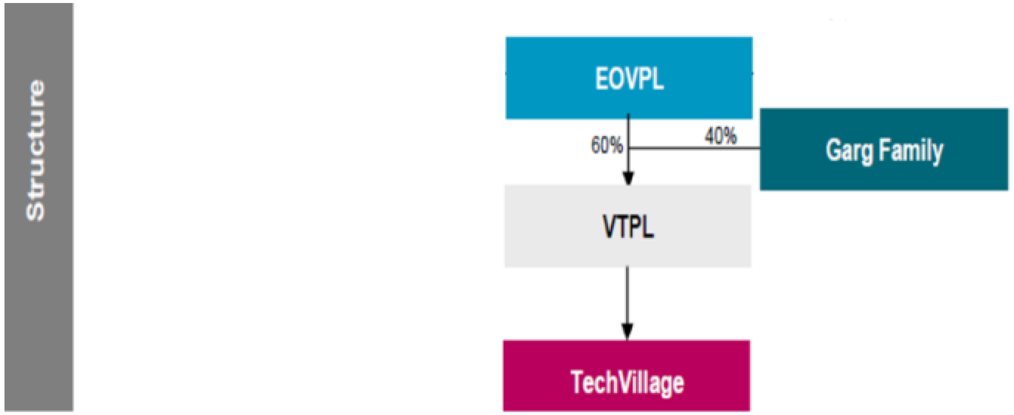
		01-Oct-20	01-Oct-21	01-Oct-22	01-Oct-23	01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29
Particulars	30-Sep-20	30-Sep-21	30-Sep-22	30-Sep-23	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30
Revenue		0	0	0	0	633	1,167	1,681	1,882	2,071	2,175
Departmental Expenses		0	0	0	0	399	509	547	567	624	655
Undistributed Expenses		0	0	0	0	184	280	336	376	394	391
Management Fees		2	2	0	0	36	67	118	132	150	158
Fixed Costs		0	0	0	0	47	54	61	65	70	73
Construction Cost	115	478	1,462	1,651	1,816	0	0	0	0	0	0
EBITDA	**-115**	**-480**	**-1,464**	**-1,651**	**-1,816**	**-33**	**257**	**618**	**741**	**834**	**897**
Terminal Value											**12,564**
Transaction Costs											**-125.64**
Total Net cashflows	**-115**	**-480**	**-1,464**	**-1,651**	**-1,816**	**-33**	**257**	**618**	**741**	**834**	**13,336**

Hospitality (3 – Star)

		01-Oct-20	01-Oct-21	01-Oct-22	01-Oct-23	01-Oct-24	01-Oct-25	01-Oct-26	01-Oct-27	01-Oct-28	01-Oct-29
Particulars	30-Sep-20	30-Sep-21	30-Sep-22	30-Sep-23	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep-27	30-Sep-28	30-Sep-29	30-Sep-30
Revenue		0	0	0	0	262	484	700	800	898	943
Departmental Expenses		0	0	0	0	133	206	201	230	258	271
Undistributed Expenses		0	0	0	0	66	102	119	136	153	160
Management Fees		2	2	0	0	32	30	49	56	65	68
Fixed Costs		0	0	0	0	26	30	33	35	38	40
Construction Costs	58.32	242	742	837	942	0	0	0	0	0	0
EBITDA	**-58**	**-244**	**-744**	**-837**	**-942**	**6**	**116**	**297**	**343**	**384**	**404**
Terminal Value											**5,650**
Transaction Costs											**-56.50**
Total Net cashflows	**-58**	**-244**	**-744**	**-837**	**-942**	**6**	**116**	**297**	**343**	**384**	**5,997**

Annexure 2: Ownership Structure

1. Ownership Structure of ETV

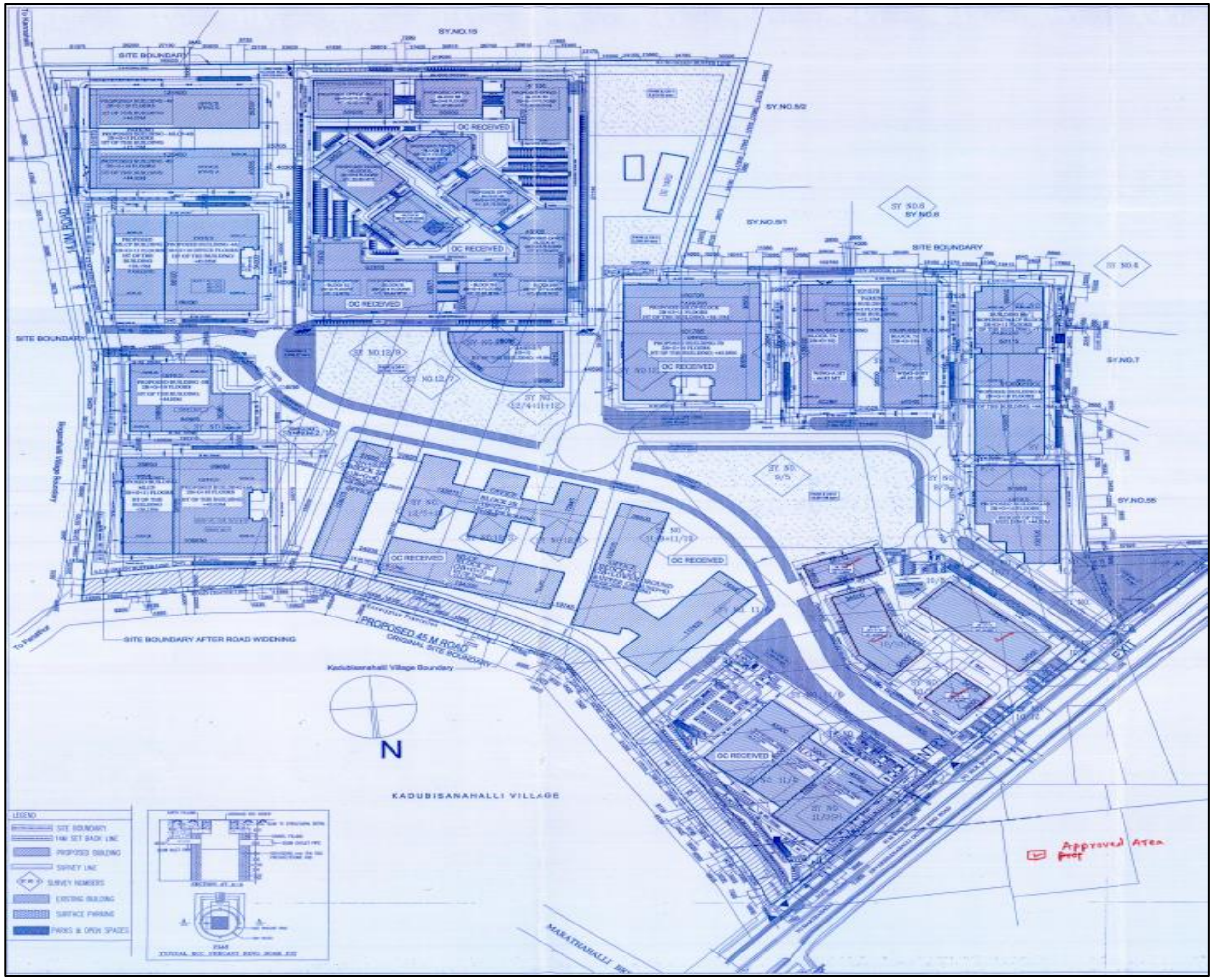


2. Ownership Structure of For Sarla (SIPL)

100% Holding by Embassy Property Developments Private Limited (including 1 share held jointly with Mr. Jitendra Virwani)

Note: The REIT proposes to hold 100% freehold interest in the property.

Annexure 3: Property Master Plan

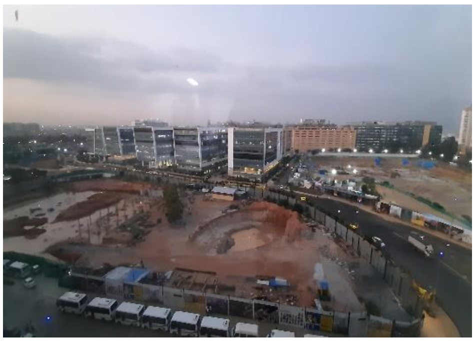


Annexure 4: Property Photographs

Office Block

Office Block

Food Court



Under-construction Blocks

Office Block

Office Block

Annexure 5: Statement of assets

Building/ Tower / Wing	No./ Name	Block 1A	Block 2	Block 7	Block 5	ETV Incubation
No. of Transformers/ Capacity	No.	4Nos	12Nos	4Nos	7Nos	2Nos
No. of AHU's/ Capacity	No.	109Nos	78Nos	46Nos	5Nos	12Nos
STP	KLD	490KLD	720KLD	380KLD	1,035KLD	NA
Chillers and Cooling Towers	No.	8Nos	12Nos	6Nos	10Nos	NA
HVAC	No.	1No	6No	1No	2Nos	NA
DG Set	No.	6Nos	12Nos	8Nos	18Nos	NA

Annexure 6: List of sanctions and approvals

Property Inspection – Embassy TechVillage, Outer Ring Road, Bengaluru

Approvals Received

a) Building Approvals for all existing buildings and amendments thereof
b) Consent to Operate for all existing/ operational buildings
c) Full Occupancy Certificates received for all the existing/operational buildings except Block 7A, MLCP 7A and Block 7B.
d) Consent to Establish for all existing/ operational and under-construction buildings.
e) Approved master plan
f) Consent to Operate
g) Fire NOC received for all existing/ operational buildings except Block 2A, Block 7A, MLCP 7A.
h) Fire NOC for Block 2B, MLCP 2C and Block 2D received in November 2006. Recent Fire NOC's not available for these.
i) Pre-construction Fire clearance received for under construction blocks Block 9 and amenity block.
j) Lift NOC received for all existing/ operational buildings except Block 5H, Block 7A and MLCP 7A.
k) Height clearance NOC from AAI
l) BSNL height clearance NOC
m) State Level Environment Impact Assessment Authority NOC
n) Pollution Control Board NOC

Annexure 7: Material Litigation

- **Litigation in respect of land in Survey No.54/7:**

Litigations concerning land in Survey No. 54/7 comprise of the following proceedings:

a) Original Suit No. 5255/2017 filed by L.C. Dhananjaya against “Embassy Group” before the City Civil Court, Bangalore.
b) Civil Revision Petition No. 1/2018 filed by Vikas Telecom against L.C. Dhananjaya before the High Court of Karnataka, Bangalore.
c) Writ Petition No. 1/2018 filed by Vikas Telecom against L.C. Dhananjaya before the High Court of Karnataka, Bangalore.
d) R.A.(B.E.) 342/2015-16 filed L.C. Dhananjay against the Tahasildar and others before the Assistant Commissioner, Bangalore North Sub-Division, Bangalore.

1. The case in O.S. No. 5255/2017 was filed by L.C. Dhananjay against “Embassy Group” seeking a decree of permanent injunction against “Embassy Group” from interfering with the alleged rights of L.C. Dhananjay with respect to land in Survey No.54/7. Vikas Telecom filed two interim applications. The first application was IA No. 3 seeking dismissal of the suit contending that ‘Embassy Group’ is not a valid legal entity. The second was IA No. 7 to implead itself as the Defendant No. 2 in the said suit. By order dated 16.12.2017, the Civil Court rejected both the aforesaid applications. By the same order the Trial court has also rejected the Interim Application filed by L.C. Dhananjay seeking temporary injunction against Embassy Group. The said the suit is pending disposal.

2. Aggrieved by the rejection of IA No. 3, Vikas Telecom filed a civil revision petition bearing CRP No. 1/2018 before the High Court of Karnataka and against the rejection of IA No. 7, Vikas Telecom filed a writ petition bearing W.P.No. 1/2018 before the High Court of Karnataka.

3. By orders dated 10.01.2018 passed in both the proceedings (CRP No.1/2018 and W.P.No.1/2018), the High Court of Karnataka stayed the proceedings in O.S. No. 5255/2017 till the next date of hearing.

   According to the legal counsels, as per the High Court website, both the aforesaid matters are still pending, and the interim stay passed by the High Court has been extended till further orders.

   <u>According to the legal counsels and as per the documents reviewed by them, the litigation does not have any merits.</u>

4. L.C. Dhananjaya also filed an appeal in R.A.(B.E.) 342/2015-16 under Section 136 (2) of Karnataka Land Revenue Act, 1964 before the Assistant Commissioner, Bangalore North Sub-Division challenging the endorsement dated 29.10.2015 issued by the Tahasildar, Bangalore East Taluk. By the said endorsement the Tahasildar had rejected the claim of L.C. Dhananjaya for the change of Katha to his name for 21 Guntas of land in Sy.No. 54/7.

5. Vikas Telecom was impleaded as the Respondent No. 3 and has also filed detailed statement of objections opposing the contents of the appeal. There does not appear to be any concern arising out of the aforesaid proceedings concerning Survey No. 54/7 because the acquisition proceedings have been validated by the High Court in the orders passed in the two writ petitions bearing W.P.No. 26386/2005 and W.P.No.14491/2005. The said the appeal is pending disposal.

- **Litigations concerning land at Survey No. 128/7:**

Litigations concerning land in Survey No. 128/7 comprise of the following proceedings:

a) O.S. No. 5599/2018 before the City Civil Court Bangalore filed by Mohankumar against "The Manging Director, Embassy Group of Company"; and
b) O.S. No. 5896/2018 before the City Civil Court Bangalore filed by Chandrappa and Munishankarappa against Vikas Telecom and its representatives.

1. In both the matters, the Plaintiffs have sought decree of permanent injunction restraining the Defendants from interfering with their peaceful possession of Survey No. 128/7. In O.S. No. 5599/2018, Vikas Telecom was originally not made a party to the said suit. Vikas Telecom thereafter got itself impleaded as the Defendant No. 2 in the said matter. In the said matter Vikas Telecom does not claim any ownership or title over Survey No. 128/7. According to the legal counsels, land in Survey No128/7 is not part of the project developed on the Larger Property, the plaintiffs however claiming that the said land parcel is at the edge of Larger Property. Vikas Telecom has impleaded itself in the suits in order to avoid encroachment by the Plaintiffs. Vikas Telecom has taken the contention that the said land in Sy.No.128/7 has been acquired by BBMP for forming a road.

There are no legal proceedings/ litigation pending against SIPL.

Annexure 8: Ready Reckoner Rate

ಕ್ರ. ಸಂ.	ಹೋಬಳಿ/ ಗ್ರಾಮ /ಪ್ರದೇಶದ	Hobli/Village/Area	ಸ್ಥಳೀಯ/ಸಕ್ಷಮ ಪ್ರಾಧಿಕಾರದ ವಸತಿ ನಿವೇಶನಗಳು.	ಸಕ್ಷಮ ಪ್ರಾಧಿಕಾರದ ವಿಲ್ಲಾ/ರೋ ಹೌಸ್‌ಗಳು ವಸತಿ ನಿವೇಶನಗಳು	ಕೃಷಿ ಜಮೀನು	ಸ್ಥಳೀಯ/ಸಕ್ಷಮ ಪ್ರಾಧಿಕಾರದ ನಿವೇಶನದಲ್ಲಿ ನಿರ್ಮಿಸಿರುವ ಅಪಾರ್ಟ್‌ಮೆಂಟ್ಸ್ ಮತ್ತು ಫ್ಲಾಟ್‌ಗಳ ಮೌಲ್ಯ
			ಪ್ರತಿ ಚದರ ಮೀಟರ್‌ಗೆ ರೂ.ಗಳಲ್ಲಿ	ಪ್ರತಿ ಚದರ ಮೀಟರ್‌ಗೆ ರೂ.ಗಳಲ್ಲಿ	ಪ್ರತಿ ಎಕರೆಗೆ ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ	ಪ್ರತಿ ಚದರ ಮೀಟರ್ ಸೂಪರ್ ಬಿಲ್ಟ್ ಏರಿಯಾಗೆ ರೂ.ಗಳಲ್ಲಿ
1	2	3	4	5	6	7
515	ಸ್ಕಂದ ಸೆರೆನಿಟಿ ಅಪಾರ್ಟ್‌ಮೆಂಟ್	Skanda Serenity Apartment				49500
516	ಸ್ಕಂದ ಸುಕೃತಿ ಅಪಾರ್ಟ್‌ಮೆಂಟ್	Skanda Sukurthi Apartment				49500
517	ಸಿಸ್ಕೋ ಟೆಕ್ ಪಾರ್ಕ್ (ವಾಣಿಜ್ಯ)	SiscoTech Park (Commercial)	92500			87500
518	ವೃಂದಾವನ ಟೆಕ್ ಪಾರ್ಕ್ (ವಾಣಿಜ್ಯ) (150-W0541-3)	Vrundavana Tech Park (Commercial) (150-W0541-3)	92500			87500
519	ಸೊರೆವಿಯಾ ವಿಲ್ಸ್‌ಟನ್ ಅಪಾರ್ಟ್‌ಮೆಂಟ್	Soreviya Willston Apartment				49500
520	ಪ್ರೆಸ್ಟೀಜ್ ಸನ್ನಿಸೈಡ್ ಅಪಾರ್ಟ್‌ಮೆಂಟ್	Prestige Sunny Side Apartment				87500
521	ಸೆಸ್ನಾ ಬುಸಿನೆಸ್ ಪಾರ್ಕ್ (ವಾಣಿಜ್ಯ) (150-M0021-204 &150-M0199-7)	Sesna Business Park (Commercial) (150-M0021-204 &150-M0199-7)	92500			87500
522	ಶ್ರೀ ಸಿಸಾ ಗ್ರಾಂಡ್ ಅಪಾರ್ಟ್‌ಮೆಂಟ್	Sri Sisa Grand Apartment				52800
523	ಎಸ್‌ಎಲ್‌ಎಸ್ ಸೆರೆನಿಟಿ ಅಪಾರ್ಟ್‌ಮೆಂಟ್	SLS Serinity Apartment				49500
524	ಸಲಾರ್‌ಪುರಿಯಾ ಟೆಕ್‌ಝೋನ್ (ವಾಣಿಜ್ಯ)	Salapuria Tech zone (Commercial)	92500			87500
525	ಸಲಾರ್‌ಪುರಿಯಾ ಹಾಲ್‌ಮಾರ್ಕ್ (ವಾಣಿಜ್ಯ) (150-M0021-43/1)	Salapuria Hallmark (Commercial) (150-M0021-43/1)	92500			87500

Source: Stamps and Registration Department, Government of Karnataka

The Guideline Value for subject property is INR 92,500 per sq. m. for land component and INR 87,500 per sq. m. for super built up area.

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

As informed by client, following major repairs/upgrades to be undertaken in FY 2020-2021:

- Installation of MLTP-1 & 2 VCB of 3 Nos, HT outdoor panel with VCB and Transformer bus duct to be undertaken in Block 2C;
- Installation of MLTP-1 & 2 LT Panel ACB replacement (Total Quantity-10 Nos, capacity-4 Pole 4,000 Amps) to be undertaken in Block 2C which has currently crossed 10 years of operation;
- Installation of MTU DG-2 Nos & MHI-5 Nos to be undertaken in Blocks 2A, 2B, 2C and 2D;
- STP operation improvement by STP plant slab opening, air diffuser replacement, pipe modification, Motors & Air blowers replacement to be undertaken in Block 2A;
- Plumbing shaft main pipeline replacement to be undertaken in Block 2B; and
- Food court operation hygiene factor to be improved by providing dishwasher in the system in Block 2C.

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 submitted to the exclusive jurisdiction of courts in New Delhi.

VALUATION REPORT

Embassy Office Parks Management Services Private Limited in its capacity as manager of The Embassy Office Parks REIT

EMBASSY TECHVILLAGE, BENGALURU

DATE OF VALUATION: SEPTEMBER 30, 2020

DATE OF REPORT: NOVEMBER 12, 2020

Valuer under SEBI (REIT) Regulations, 2014

iVAS

Value Assessment Service

CBRE

Contents

1 Executive Summary

Property Name: 'Embassy TechVillage' is a commercial office development with ancillary retail and hospitality component located along Sarjapur Outer Ring Road, Devarabeesanahalli, Bengaluru, Karnataka

Property Address: Devarabeesanahalli Village & Kariammana Agrahara Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka

Land Area: Based on information provided by the Client (viz. title report), the Valuer understands that the total land area of the larger land parcel admeasures approx. 103.44 acres and the land area under the purview of this exercise admeasures approx. 84.05 acres. Total land area under the ownership of Vikas Telecom Private Limited ("VTPL") is 80.05 acres and under Sarla Infrastructure Private Limited ("SIPL"), is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL and same is considered for the purpose of this valuation exercise.

Brief Description: The subject property "Embassy TechVillage" is an office park located in Bengaluru comprising:

(i) Commercial development by Vikas Telecom Private Limited ("VTPL") consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services

(ii) 1.1 msf of under-construction area being developed by Sarla Infrastructure Private Limited ("SIPL"), which has been fully pre-leased, along with the associated business of common area maintenance services

The subject property is located along the Sarjapur Outer Ring Road (ORR), which is a prominent arterial road in the city. It is the south-eastern portion of the concentric outer ring road. Sarjapur Outer Ring road has emerged as one of the most prominent commercial office hubs of Bengaluru, on account of the premium quality of commercial office spaces and connectivity to other established micro-markets across the city. Some of the prominent commercial developments along Sarjapur-ORR include Embassy TechVillage (subject property), RMZ Ecospace, RMZ Ecoworld, Prestige Tech Park, Cessna Business Park, etc.

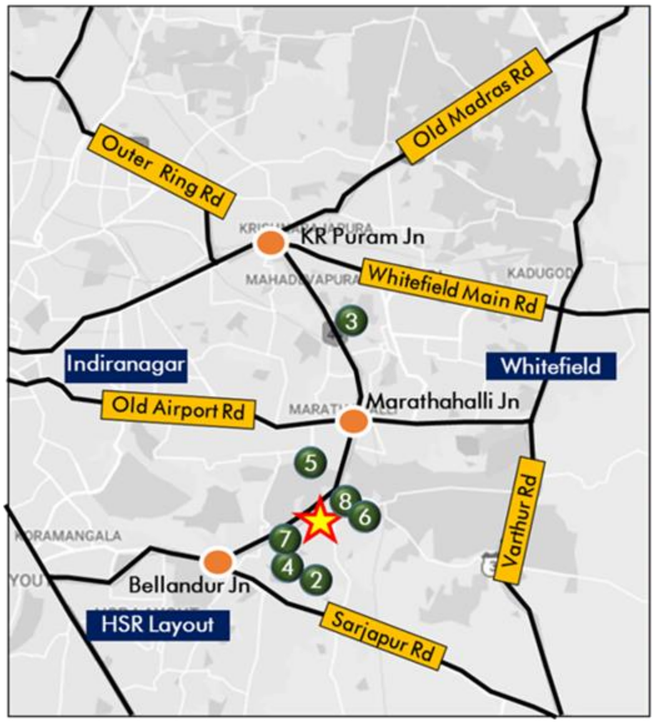
The subject property is located at a distance of 4-5 km from Marathahalli junction, 5-6 km from Sarjapur road-ORR interchange, 9-10 km from Koramangala & K R Puram Junction, 13-14 km from MG Road (CBD) and 43-44 km from Kempegowda International Airport

Statement of Assets (sf): Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 6.1 msf of completed leasable area with an occupancy of approximately 97.3% as on the date of valuation. Table below highlights the leasable area break-up for the subject development commensurate to the interest valued in Embassy TechVillage:

Block	Total Area (sf)*	Operational area (in sf)	Under Construction area (in sf)
SEZ Area	**3,700,328**	3,700,328	-
Non – SEZ Area	**5,472,104**	2,437,514	3,034,590
Total – Office/ Retail	**9,172,432**	**6,137,842**	**3,034,590**
Hotel (including convention centre)	782,669	-	782,669

Source: Architect Certificate, Rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area; 8,849,815 sf of the total area(including area for Hotel and convention center) is under the ownership of VTPL (Vikas Telecom Private Limited) and the balance 1,105,286 sf of the total area is under the ownership of SIPL (Sarla Infrastructure Private Limited)

Location Map:



#	Building Name
★	Embassy Tech Village
2	RMZ Ecoworld
3	Bagmane Constellation & WTC
4	Pritech Tech Park
5	Prestige Technology Park
6	Cessna Business Park
7	RMZ Ecospace
8	Embassy Tech Square

Key Assumptions:

Particulars	Unit	Details
Construction assumptions		
Pending cost to complete	INR mn	17,158*
Proposed project completion timelines (all blocks)	Quarter, Year	Q4, FY 2024
Revenue assumptions (as on September 30, 2020)		
Lease completion	Year	FY 2024
In-place rent	INR/ sf/ mth	68.1
Marginal rent – office component	INR/ sf/ mth	91
Marginal rent – Retail component	INR/ sf/ mth	118
Parking rent (Effective)	INR/ bay/ mth	4,500
ARR – 5 star hotel	INR/ room/ day	8,000
Stabilized Occupancy – 5 star hotel	%	73%
ARR – 3 star hotel	INR/ room/ day	5,500
Stabilized Occupancy – 3 star hotel	%	73%
Other financial assumptions		
Cap rate – commercial components	%	8.00%
Cap rate – hotel components	%	EV-EBITDA multiple of 14
WACC rate (operational)	%	12.03%
WACC rate (Parcel 8)	%	13.00%
WACC rate (Block 9 – JPM Pre-lease/BTS)^	%	13.00%
WACC rate (hotel)	%	13.60%

** Indicative of pending cost towards base build works and does not include the cost for refurbishments/ infrastructure upgrade works; ^JPM Pre-lease/BTS refers to JP Morgan Pre-lease/ Built to Suit;*

Market Value: INR 102,292 Mn

2 Instruction

iVAS Partners, represented by Mr. Manish Gupta has been instructed by **Embassy Office Parks Management Services Private Limited** (the 'Client', the 'Instructing Party') in its capacity as **manager of The Embassy Office Parks REIT (Embassy REIT)** to advice upon the Market Value (MV) of a commercial office real estate property along with retail and hospitality components located at Bengaluru. As instructed by the Client and based on information provided, the following blocks at the subject property have been considered under the purview of this valuation exercise:

Development/Asset Name	Blocks	Location
Embassy TechVillage	▪ Block 1A – Carnation ▪ Block 2A – East wing and West wing ▪ Block 2B – Hibiscus ▪ Block 2C – Lilac ▪ Block 2D – Gardenia ▪ Block 5 – A to L ▪ Block 7B – Prime rose ▪ Parcel 8 ▪ Block 9 – JPM Pre-lease/BTS (Collectively the **"Subject Property"**)	Bengaluru

**Please note that the blocks of ETV under the scope of this exercise are under the ownership of Vikas Telecom Private Limited (VTPL) (i.e. Blocks 1A, 2, 7B, 5 & 8) and Sarla Infrastructure Private Limited (SIPL) (i.e. Block 9 – JPM Pre-lease/BTS)*

In addition to the above and as instructed by the Client, we have been requested to provide the valuation of Block 9 – JPM Pre-lease/BTS including the benefit of the proposed rental support and rental guarantee. This is based on representation made to us relating to contractual arrangements proposed to be in effect between the Sellers and the Client at the date of acquisition. While the entire 1,105,286 sf of leasable area of SIPL is already pre-leased, the property is currently under construction. Given the Embassy REIT proposes to acquire this property similar to a rent-generating asset, the Sellers have also agreed to provide rental support to SIPL from the proposed date of acquisition until the rent commencement date.

CBRE has been instructed by the Client to be the **'Value Assessment Service Provider'** for providing market intelligence to the 'Valuer' (iVAS Partners, represented by Mr. Manish Gupta) and forecasting cash flows from the subject property. The Valuer has utilized the market intelligence provided by CBRE and independently reviewed the cash flows to arrive at the Market Value of the subject property as per the SEBI (REIT) Regulations 2014.

iVAS Partners (represented by Mr. Manish Gupta) and CBRE are collectively referred to as the **'Consultants'** for the purpose of this report.

2.1 Purpose

The Valuer understands that the valuation is required by the Client for acquisition purposes.

2.2 Reliant Party

The Reliant Party to the valuation report will be **Embassy Office Parks Management Services Private Limited (in its capacity as Manager to the Embassy Office Parks REIT)** and their Unitholders and Axis Trustee Services Limited (the Trustee for the Embassy REIT) for the purpose of the valuation as highlighted in this report. The auditors and advisors would be extended reliance by the 'Consultants' but would extend no liability to the auditors and advisors.

This report can be included in any preliminary placement memorandum, placement memorandum, information memorandum, transaction document, communication to the unitholders, regulatory filings and any other document in connection with proposed acquisition by Embassy REIT and submitted to regulatory authorities if required.

2.3 Limitation of Liability

- The 'Consultants' provide the Services exercising due care and skill, but the 'Consultants' do not accept any legal liability arising from negligence or otherwise to any person in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the properties. Further, the 'Consultants' shall not accept liability for any errors, misstatements, omissions in the Report caused due to false, misleading or incomplete information or documentation provided to the 'Consultants' by the Instructing Party.

- CBRE extends liability to iVAS Partners (represented by Mr. Manish Gupta) and the Valuer's Client (viz. the Reliant Party) for the market intelligence provided by CBRE. CBRE extends liability to the Reliant Party for the relevant scope for which it is engaged together with the preceding clause. CBRE's maximum aggregate liability for claims arising out of or in connection with market intelligence it provides under this contract shall not exceed the professional indemnity insurance obtained by it. As on the date of this report 'The Consultants' maximum aggregate liability for claims arising out of or in connection with the Valuation Report, under this contract shall not exceed Indian Rupees 30 Million.

  The Consultants 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.

2.4 Scope of Services

Services will be provided solely for the benefit and use of the Reliant Party(ies) by the valuer. The report(s) and valuation(s) may not be used for any other purpose other than the expressly intended purpose as mentioned in 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 Consultants where such consent shall be given at the absolute, exclusive discretion of the Consultants. Where they are to be used with the Consultants' 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 Consultants.

Any reliance by any party other than the Reliant Party on the valuation report will be on their own accord. The Consultants do not purport to provide a site or structural survey in respect of the property(ies) to be valued. The Consultants do not purport to be suitably qualified to provide professional advice in respect of building or site contamination. The Reliant Party(ies) should seek independent advice on these issues. The Services are provided on the basis that the Instructing Party has disclosed to the Consultants all information which may affect the Services. All opinions expressed by the Consultants or its employees are subject to the statement of valuation policies and any conditions contained in written valuation report. The Letter of Engagement (LOE) along with amendments sets out the full scope of services that shall be covered by the valuation report.

2.5 Valuation Capability

Valuer under SEBI (REIT) Regulations, 2014: iVAS Partners, represented by Mr. Manish Gupta

iVAS Partners, represented by Mr. Manish Gupta (Valuer Registration Number: IBBI/RV-E/02/2020/112) delivers reliable and independent valuation (across categories viz. land & building and plant & machinery), advisory and technical due diligence services, that combine professional expertise with comprehensive databases, analytics and market intelligence across various asset classes and locations in India.

Manish Gupta, Partner at iVAS Partners, is a Registered Architect with Council of Architecture (COA) and a member of the Royal Institute of Charted Surveyors (MRICS) and Institution of Valuers (IOV), with over 12 years of experience in the real estate industry. Manish is a seasoned professional with experience in providing real estate valuation services to a wide spectrum of clients including financial institutions, private equity funds, developers, NBFCs, corporate houses, banks, resolution professionals, land owners, etc.

He has worked on variety of valuation, consulting and technical due-diligence assignments for various purposes including investment related due diligence, mortgage/collateral appraisals, financial reporting, listing purposes, IBC led requirements, etc. across a range of asset classes such as residential projects, integrated township developments, hospitality assets, commercial (office and retail) projects, industrial developments, warehousing parks, educational projects, healthcare developments, etc. for both national as well as international clients.

Value Assessment Service Provider: CBRE South Asia Pvt. Ltd.

CBRE Advisory Services India is an integral part of CBRE Global Valuation & Advisory Services team. The Global VAS team comprises of over 1,500 professionals across approximately 280 offices globally and India Advisory Services team comprises of more than 280 professionals.

CBRE Advisory Services India have completed over 100,000 valuation and advisory assignments across varied asset classes spread across 20 states and 300+ cities. CBRE provides 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. CBRE derives 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.

Our dedicated and experienced professionals provide quality services from 9 offices across India (Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Gurgaon, Hyderabad, Pune and Ahmedabad). Our professionals have a varied qualification base such as Royal Institute of Chartered Surveyors (RICS) or IOV certified valuation professionals, master planners, Architects, MBA, CA, CFA, etc. and this entire multi-faceted experience helps us in achieving our commitment to provide the highest level of professional expertise to our clients.

CBRE Advisory Services India team has substantial experience with several institutional clients including financial institutions, real estate funds, private equity funds, developers, corporates, banks, NBFCs, etc.

2.6 Scope of Appraisal

The appraisal has been undertaken to ascertain the market value of the subject property given the prevalent market conditions. In consideration of the same, a detailed assessment of the site and surroundings has been undertaken with respect to the prevalent activities, change in dynamics impacting the values and the optimal use of the subject properties vis-à-vis the surrounding sub market, etc.

The table below highlights the subject property under the purview of this valuation:

Development Name	Location	Sub Market	Catchment Area for the Valuation Exercise
Embassy TechVillage (Subject property)	Bengaluru	ORR	Sarjapur Outer Ring Road

2.7 Scope of Services for Value Assessment Service Provider

CBRE has been engaged by the Instructing Party to provide value assessment services and accordingly, would be responsible for the below scope as part of this exercise.

- Provide market intelligence to the Valuer on the following aspects:
  - Economic and Investment Overview
  - India Real Estate Overview
    - IT/ ITES Industry Dynamics
    - Key Office Markets
    - Outlook
  - For subject property location
    - Key Office Markets
    - General market practices
    - Demand Supply for Key Office Markets & Rental Trends
    - Outlook

Forecast cash flows from the subject property for the Valuer to independently review and work towards assessing the valuation of the Asset

Official Signatory for Value Assessment Service Provider:	For CBRE South Asia Pvt Ltd

Name: Vamshi KK Nakirekanti | MRICS | FIE | FIV | CEng (India)
Designation: Executive Director, Head – Valuation and Advisory Services, India & South East Asia

2.8 Valuer's Interest

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

2.9 Qualifications

This valuation is prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards and is in compliance with the International Valuation Standards (IVS).

The team involved in this engagement comprises of RICS members with significant experience of valuations in Indian real estate market. The detailed professional profiles of key personnel in the team have been annexed as a part of the report.

2.10 Disclosures

The Consultants hereby certify that:

- iVAS Partners (Valuer Registration Number: IBBI/RV-E/02/2020/112), represented by Mr. Manish Gupta (hereinafter referred to as the Valuer), is eligible to be appointed as a valuer in terms of Regulation 2(1)(zz) of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
- Neither CBRE nor iVAS Partners (represented by Mr. Manish Gupta) are an associate of the instructing party, the Sponsors or the Trustee
- Mr. Manish Gupta, Partner, iVAS Partners (the Valuer) has a minimum of five years of experience in the valuation of real estate
- The Valuer has not been involved with the acquisition or disposal of the subject property in the last twelve months, other than such cases where the valuer was engaged by the Embassy REIT for such acquisition or disposal
- The Valuer has adequate and robust internal controls to ensure the integrity of the valuation reports
- The Valuer has sufficient key personnel with adequate experience and qualification to perform services related to property valuation at all times
- The Valuer has sufficient financial resources to enable them to conduct their business effectively and meet their liabilities
- The Valuer has acquainted itself with all laws or regulations relevant to such valuation
- The valuation of assets undertaken is impartial, true and fair and in accordance with the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

- The Valuer has conducted the valuation of the subject property with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement
- The Valuer has acted with independence, objectivity and impartiality in performing the valuation
- The Valuer has discharged its duties towards the Client in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete the said assignment
- The Valuer shall not accept remuneration, in any form, for performing a valuation of the subject property from any person other than the Client or its authorised representatives.
- The Valuer shall not make false, misleading or exaggerated claims in order to secure assignments
- The Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information
- The Valuer shall not accept an assignment that includes reporting of the outcome based on predetermined opinions and conclusions required by the Client
- The valuer has valued the subject property based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI (REIT) Regulations 2014.
- The valuation undertaken by the Valuer abides by international valuation standards
- The Valuer and any of its employees/ consultants involved in valuation of the REIT assets are not invested in units of the REIT or in the assets being valued till the time such person is designated as valuer of such REIT and not less than 6 months after ceasing to be valuer of the REIT
- The Valuer shall before accepting any assignment from any related party to the **Embassy Office Parks Management Services Private Limited**, shall disclose to the **Embassy Office Parks Management Services Private Limited**, any direct or indirect consideration which the valuer may have in respect of such assignment
- The Valuer shall disclose to the **Embassy Office Parks Management Services Private Limited**, any pending business transactions, contracts under negotiation and other arrangements with the Instructing Party or any other party whom the **Embassy Office Parks Management Services Private Limited** is contracting with and any other factors which may interfere with the Valuer's ability to give an independent and professional valuation of the property
- The Valuer understands that the asset is owned by related party, hence, the acquisition of the asset from the related party being valued would be related party transaction
- The Valuer is competent to undertake the valuation of the subject property. Further the Valuer has independently undertaken the valuation and the report is prepared on a fair and unbiased basis
- The Valuer notes that there are encumbrances, however, no options or pre-emptions rights in relation to the assets based on the title report prepared by J. Sagar Associates

2.11 Assumptions, Disclaimers, Limitations & Qualifications to Valuation

Valuation Subject to Change:	The subject valuation exercise is based on prevailing market dynamics as on the date of valuation and does not take into account any unforeseeable developments which could impact the same in the future
Our Investigations:	The Consultants are not engaged to carry out all possible investigations in relation to the subject property. Where in our report the Consultants identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where the Consultants recommend as necessary prior to reliance. The Consultants are not liable for any loss occasioned by a decision not to conduct further investigations
Assumptions:	Assumptions are a necessary part of undertaking valuations. The Valuer adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of the Valuer's expertise, or the instructions. The reliant parties accept that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation
Information Supplied by Others:	This appraisal is based on the information provided by the Client / Developer. The same has been assumed to be correct and has been used for appraisal exercise. Where it is stated in the report that another party has supplied information to Consultants, this information is believed to be reliable, but Consultants can accept no responsibility if this should prove not to be so. However, please note that wherever we have relied on information from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context
Future Matters:	To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to the 'Consultants' at the date of this document. The 'Consultants' do not warrant that such statements are accurate or correct
Map and Plans:	Any sketch, plan or map in this report is included to assist reader while visualizing the property and assume no responsibility in connection with such matters
Site Details:	Based on title due-diligence information provided by the Client, we understand that the subject properties are free from any encroachments and is available as on the date of the valuation
Property Title:	For the purpose of this valuation exercise, the Valuer has relied on the Title Reports prepared by the Legal Counsels for the subject property and has made no further enquiries with the relevant local authorities in this regard. The Valuer understands that the subject property may have encumbrances, disputes and claims. The Valuer does not have the expertise or the preview to verify the veracity or quantify these encumbrances, disputes or claims. For the purpose of this valuation, the Valuer has assumed that the asset has title deed that is clear and marketable
Environmental Conditions:	The Valuer has assumed that the subject property is not contaminated and are not adversely affected by any existing or proposed environmental law and any processes which are carried out on the property are regulated by environmental legislation and are properly licensed by the appropriate authorities
Town Planning:	The current zoning of the subject property has been adopted on the basis of review of various documents (title deed) and the current land use maps for the subject region. The same has been considered for the purpose of this valuation exercise. Further, it has been assumed that the development on the subject properties adheres/ would adhere to the development regulations as prescribed by the relevant authorities. The Valuer has not made any enquiries with the relevant development authorities to validate the legality of the same
Area:	The total leasable area considered for the purpose of this valuation exercise is based on the rent rolls/ Architect certificate provided by the Instructing Party. It must be noted that the above information has been provided by the Client and has been verified based on the approvals/ layout plans/building plans provided by the Client. However, the Valuer has not undertaken additional verification and physical measurement for the purpose of this valuation exercise
Condition & Repair:	In the absence of any information to the contrary, the Valuer has assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property; the property is free from rot, infestation, structural or latent defect; no currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alterations or additions to the property and comments made in the property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts
Not a Structural Survey:	We state that this is a valuation report and not a structural survey
Legal:	Unless specifically disclosed in the report, the Valuer have not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property.
Others:	Considering the unorganized nature of real estate markets in India, all comparable evidence (if any) provided in the valuation report has been limited to the basic details such as the area of asset, rate at which transacted, broad location, etc. other specific details would be provided only if the information is available in public domain The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, nature of the business, etc. The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion may not necessarily be the price at which actual transaction takes place

	We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences
Additional	Please note that all the factual information such as tenants' leasable area, lease details such as lease rent, lease commencement and lease end date, lock – in period, escalation terms, etc. pertaining to the subject properties is based on the appropriate relevant documents provided by the Client and the same has been adopted for the purpose of this valuation exercise. While we have reviewed a few lease deeds on a sample basis, the Consultants do not take any responsibility towards authenticity of the rent rolls provided by the Client. Any change in the above information will have an impact on the assessed value and in that case the Valuer will have to relook at the assessed value. The relevant information sources are represented in section 3.5 All measurements, areas and ages quoted in our report are approximate We are not advisors with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the respective Special Purpose Vehicles (SPVs)/Entities holding the asset claim to title of asset has been made for the purpose of this Report and the SPV/Entity claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility is assumed for matters of a legal nature Kindly note that we have undertaken a quarterly assessment of cash flows for the purpose of the valuations

2.12 Material Valuation Uncertainty from Novel Coronavirus

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of the property is therefore reported as being subject to 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review.

3 Valuation Approach & Methodology

3.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Market Value (MV) of the subject property. In considering the value of the property, we have considered the guidelines laid out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS).

3.2 Basis of Valuation

The valuations have been conducted in accordance with the RICS Valuation – Global Standards 2020 (Red Book Global Incorporating the IVSC International Valuation Standards issued in November 2019, effective from 31 January 2020) and is in compliance with the International Valuation Standards (IVS). The valuation exercise has been undertaken by appropriately qualified Valuer and would be aimed at assessing the Market Value of subject property

As per the Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS) the market value is defined as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

3.3 Approach and Methodology

The purpose of this valuation exercise is to estimate the Market Value (MV) of the subject properties. Market Value is derived through the following Methodologies:

TYPICAL VALUATION METHODOLOGY ADOPTED		
DIRECT COMPARISON APPROACH	INCOME APPROACH	
Depreciated Replacement Cost	Direct Capitalization Methodology	Discounted Cash Flow Methodology

3.3.1 Direct Comparison Approach

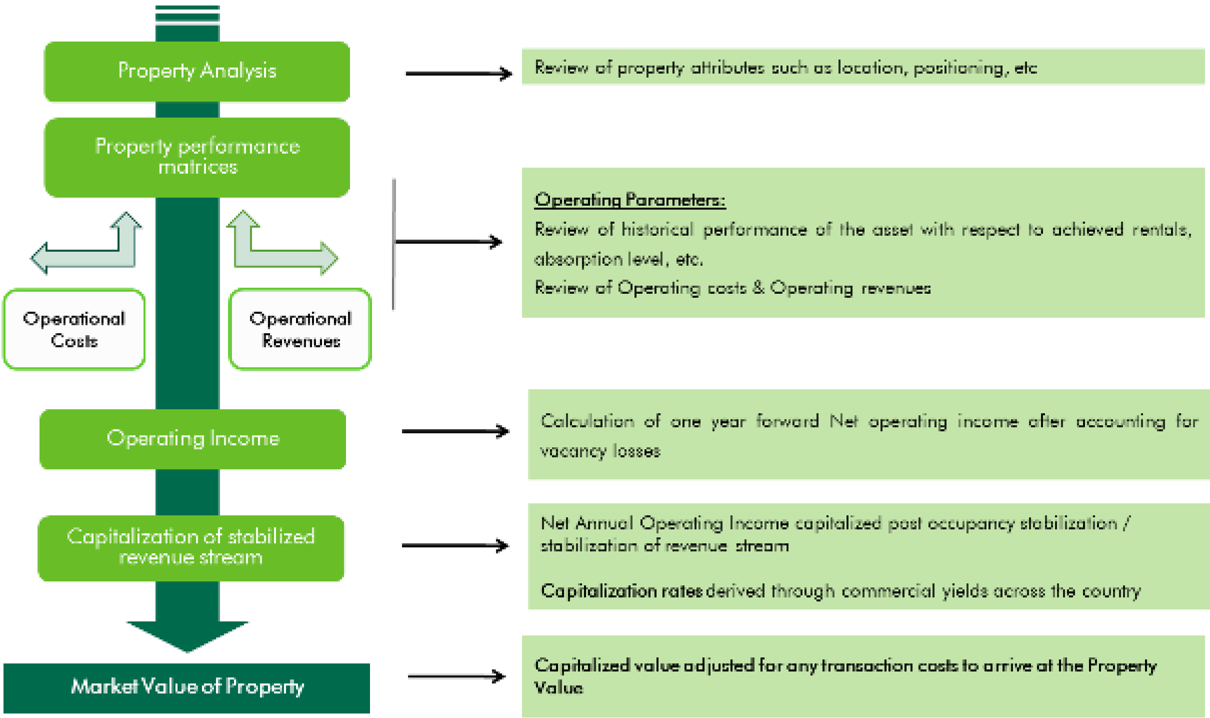
In **'Direct Comparison Approach'**, the subject property is compared to similar properties that have actually been sold in an arms-length transaction or are offered for sale (after deducting for value of built-up structure located thereon). The comparable evidence gathered during research is adjusted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

3.3.2 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).

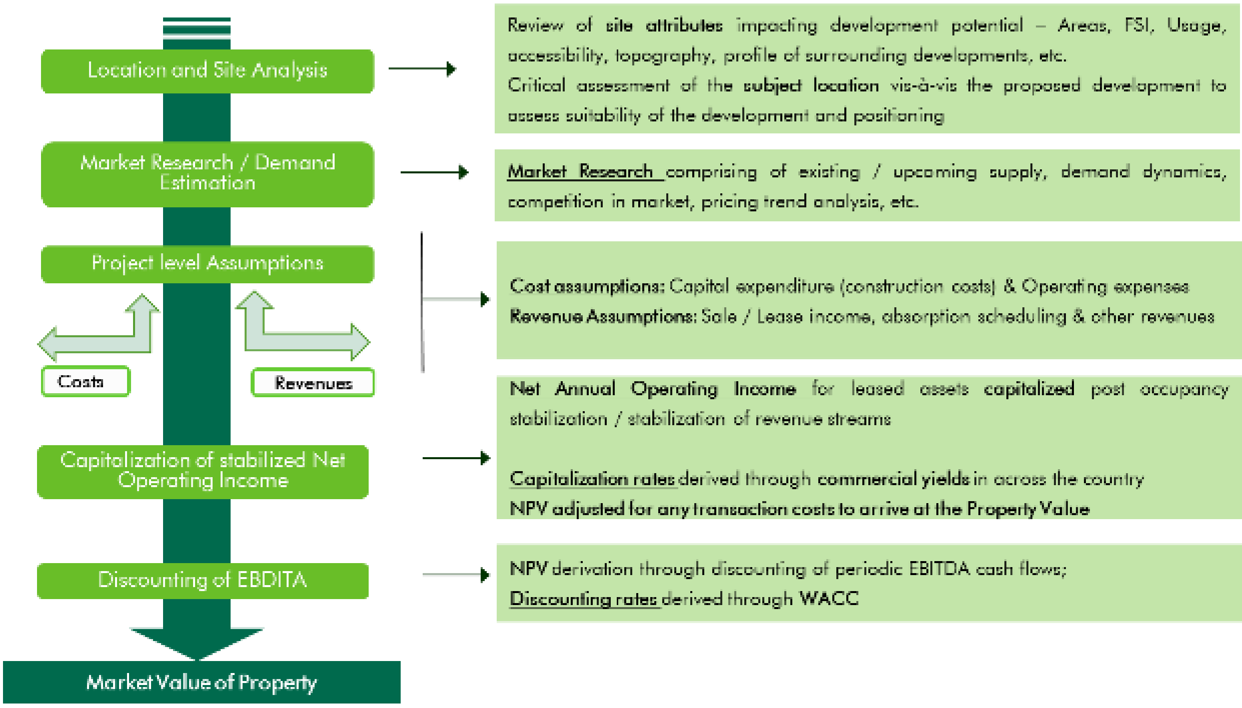
A. Direct Capitalization Method

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.



B. 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 at an appropriate discount rate. The valuation process and the assumptions for valuation adopted while undertaking the valuation under this approach are detailed overleaf:



B.1. Discounted Cash Flow Method using Rent Reversion

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

For the purpose of this valuation exercise, we have analysed the tenancy details provided by the Client to identify variances vis-à-vis prevailing marginal rent. In the event the rent is within the threshold (10.0% for Embassy TechVillage, Bengaluru), we have assumed that the tenant will continue on the current agreed terms. In the event the rent is higher than the marginal rent threshold, we have assumed that the lease would be renegotiated to marginal rent terms (at the time of the lock-in expiry, next escalation, etc.).

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

- Step 1: Project the rent for identified tenancies up to the period of lease expiry, lock-in expiry, first escalation, second escalation, etc. whichever is applicable. In the event of unleased spaces, marginal rent-led to be adopted with suitable lease-up time

- Step 2: Generating a comparable marginal rent based stream for identified tenancies for the time period similar to the cash flows drawn in the aforementioned step

- Step 3: In the event the escalated contracted rent is above the marginal rent by threshold highlighted above, the contracted terms are discarded and the terms are reverted to marginal rent. In the event the escalated contracted rent is within the threshold band of the marginal rent, the contracted terms are adopted going forward until the next lease review/ renewal. Intent of this step is to project the rent for respective leases until lease expiry as well as post expiry. Further, in the under-construction developments, the pre-committed rent is compared with the marginal rent to assess the treatment w.r.t. threshold limits

- Step 4: Computing the monthly income based on rent projected as part of Step 3 and translating the same to quarterly income (for the next 10 years and 11th year – considered for calculation of terminal value)

Adjustments for other revenues and recurring operational expenses:

Further, to arrive at the total value of the leased spaces (from base rentals), appropriate revenues and operational expenses (as highlighted below) have been projected on quarterly basis.

- Parking Income – adopted based on income inputs provided by Client for the leased spaces and market assumption taken for vacant spaces

- Security Deposit – adopted based on inputs received from the Client for the leased spaces and market assumption taken for vacant spaces

- Miscellaneous Income – adopted based on income inputs provided by Client for the property

- Annual Recurring Expense:

  - Insurance – adopted based on insurance outflow (if any) provided by Client

  - Annual Lease Rental / Property Taxes – adopted based on annual lease rental / property tax assessed for the property as provided by Client

  - Repair & Maintenance Reserve – adopted as a recurring expense as a percentage of the lease rental income as a provision for future repairs & maintenance based on market assumptions

  - Asset Management fee - adopted as a recurring expense (in case of an external management team) as a percentage of the lease rental income as per the agreement between respective assets and its asset manager.

- Margin on CAM – For the subject development, we have looked at the operational revenues and expenses of the respective assets to understand the recurring, non-recurring, recoverable and non-recoverable expenses and accordingly modelled the common area maintenance income and operational expenses for the asset.

- **Vacancy provision** ~ based on the prevailing market benchmarks, vacancy provision is considered for the value assessment of subject property upon exit (the rent frees, CAM under recoveries, brokerage expenses during the 10 year projection period captures the implied rent loss during operations)

- **Revenue escalation** ~ a market-led annual escalation on the market rent has been adopted

- **Rent – free period** ~ based on the trend prevalent in the subject sub market, we consider appropriate rent free periods for the value assessment of the subject property from lease commencement date (for future / new leases)

- **Brokerage** ~ based on prevalent market dynamics, we consider brokerage for future / new leases

- **CAM under recoveries** ~ we have highlighted expense towards maintenance as CAM under recoveries for months when no rental / CAM income is received (on the vacant areas)

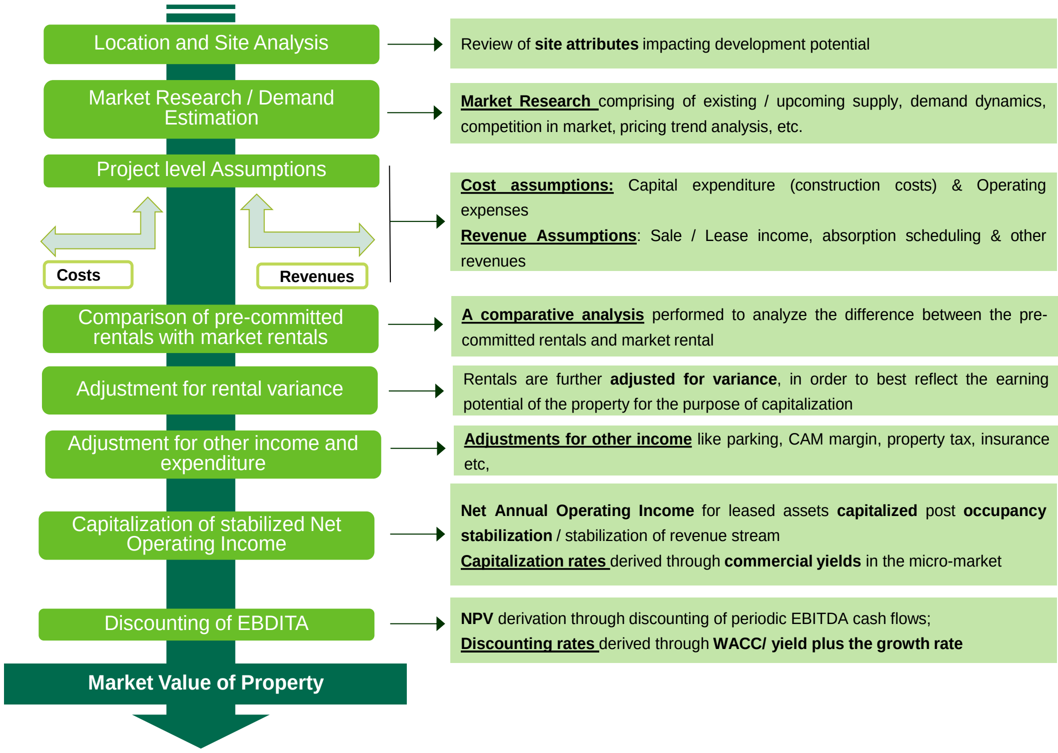
The other revenues and recurring operational expenses highlighted above have been capitalized at market-led capitalization rates.

Additional Adjustments:

- **Fit-out Income** ~ adopted based on fit-out rent (if any) provided by Client till lease expiry of applicable leases (same is not capitalized)

- **Transaction Cost on Exit** ~ adopted as a percentage of the terminal value after aforesaid adjustments

The valuation process and the assumptions for valuation adopted while undertaking the valuation under this approach are detailed overleaf:



3.4 Approach and Methodology Adopted

Based on a detailed review of the leases for the respective subject properties, we noted that a large number of leases at these properties were executed at rent prevalent at the time of signing of such leases or at a discount to prevailing market rental (for a few anchor tenants). Since the real estate industry is dynamic and is influenced by various factors (such as existing supply, tenants looking at spaces, quality of spaces available in the market, overall health of the economy, existing rent, future growth plans, etc.) at a particular point in time, negotiated rent may tend to move away from the prevalent market rent over a period of time. It has also been witnessed that the market rent for some properties or sub 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.

Considering the objective of this exercise and the nature of asset involved, the value of the office component in the subject properties has been assessed through the Discounted Cash Flow Method (using rent reversion approach). As instructed by the Client, we have been requested to provide the valuation of Block 9 – JPM Pre-lease/BTS including the benefit of the proposed rental support and rental guarantee. This is based on representation made to us relating to contractual arrangements proposed to be in effect between the Sellers and the Client at the date of acquisition.

Further, the hotel component at the subject property has been valued using Discounted Cash Flow Method.

3.5 Information Sources for Valuation

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

Table below highlights various data points referred throughout the course of this valuation report and the data sources for the same:

Particulars	Details	Units	Source
Area Details	Land Area	Acres	Title Report/Architect certificate
	Permissible FSI	Ratio / No.	Architect Certificate
	Achieved FSI	No.	Architect Certificate
	FSI Area	Sf	Architect Certificate
	Built-Up Area	Sf	Architect Certificate
	Leasable Area – Tower Wise	Sf	Architect Certificate
	No. of Floors	No.	Occupancy Certificate
	Stacking Plan	NA	Client/ Lease deeds/Rent Rolls
	No. of Basements	No.	Occupancy Certificate
	Car Parking Area	Sf	Architect Certificate
	Number of car parks	No.	Architect Certificate
	Unutilized FSI (if any)	No.	Sanctioned Plan/ Architect Certificate
	Area proposed for future development	Sf	Architect Certificate
Documents/ Approvals	Land Use / Zoning	NA	Title Report/Zoning Plan
	Title Deeds	NA	Title Report
	Approved Sanction Plan	NA	Copy as applicable
	Building Plan / Site Plan	NA	Copy as applicable
	Floor Plans	NA	Copy as applicable
	Height Clearance Approvals (AAI)	NA	Copy as applicable

Particulars	Details	Units	Source
	Fire NOC	NA	Copy as applicable
	Environment Clearance	NA	Copy as applicable
	Commencement Certificate	NA	Copy as applicable
	Occupancy Certificate	NA	Block-wise occupancy certificate
	Building Certification	NA	Client (as applicable)
	Lease Agreements with Tenants	NA	Lease deeds
	Sample CAM Agreements	NA	Client
Services Offered	HVAC (Tonnage)	TR	Client
	Power Back-up	KVA	Client
	No. of Lifts with capacity	No.	Client
	No. of staircases	No.	Client
Cost Assumptions	Pending Construction Cost (if any)	INR Mn	Client
	Total Budgeted Cost – Land Stage Block	INR Mn	Client
	Total Budgeted Cost – Under Construction Block	INR Mn	Client
	Cost Already Incurred – Under Construction Block	INR Mn	Client
	Cost provisioned towards refurbishment / renovation	INR Mn	Client
	Maintenance Charges	INR psf	Client
	Insurance Cost	INR Mn	Insurance premium receipts/Client
	Property Tax	INR Mn	Property Tax receipts /Client
	Margin on Maintenance	% of CAM Charges	Consultants' Assessment
	Asset Management Fee	% of revenues	Consultants' Assessment
	Brokerage on lease	No. of Months	Consultants' Assessment
	Repair & Maintenance Reserve	% of lease revenues	Consultants' Assessment
Exit Assumptions	Capitalization Rate	%	Valuer Assessment
	Quarter of Capitalization	Quarter, Year	Valuer Assessment

Particulars	Details	Units	Source
	Discount Rate	%	Valuer Assessment
	Transaction cost on Exit	%	Valuer Assessment
Operational Assumptions	Leased Area	Sf	Rent rolls/ Lease agreements
	Vacant Area	Sf	Rent rolls/ Lease agreements
	Pre- Committed Area	Sf	Rent rolls/ Lease agreements
	Lease Dates (Start, End, Lock in, Escalation etc.) for existing leases	MM/DD/YYYY	Rent rolls/ Lease agreements
	Rent Achieved	INR psf pm	Rent rolls/ Lease agreements
	Pre-Committed Rent	INR psf pm	Rent rolls/ Lease agreements
	Security Deposit	No. of months/ INR Mn	Rent rolls/ Lease agreements
	Parking Rent	INR per car park per month	Rent rolls / Consultants' Assessment / Lease agreements
	Fit-out Rent	INR psf pm	Rent rolls/ Lease agreements
	Miscellaneous Income	INR Mn	Rent rolls/ Financial Statements
	Interest on Security Deposit	NA	Consultants' Assessment
	Market Rent	INR psf pm	Consultants' Assessment
	Reversion Thresh hold	%	Consultants' Assessment
	Escalation in Rent / CAM	%	Consultants' Assessment
	Lease Dates (Start, End, Lock in, Escalation etc.) for vacant area	MM/DD/YYYY	Consultants' Assessment
	Lease escalation on Renewal for New/Future Leases	%	Consultants' Assessment
	Security Deposit for New/Future Leases	No. of months	Consultants' Assessment
	CAM Under-recoveries	INR psf pm	Consultants' Assessment
	Rent Free Period	No. of Months	Consultants' Assessment

Particulars	Details	Units	Source
	Brokerage	No. of months	Consultants' Assessment
	Vacancy Provision	%	Consultants' Assessment
Construction Timelines	Construction Commencement	Quarter, Year	Client / Consultants' Assessment
	Construction Completion	Quarter, Year	Client / Consultants' Assessment
Absorption Timelines (for vacant space)	Respective spaces in each development	Quarter, Year	Consultants' Assessment
Market assessment and key property characteristics	Opinions expressed on the scale of property, relative performance of submarket, asset quality, etc.	Not applicable	Consultants' Assessment

4 Financial Assumptions

4.1 Capitalization Rate Adopted

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

- Historical entry yields (going in cap rates) for yield/ core office asset transactions across various key markets in India which have steadily shown a downward trend over last 7 - 8 years from 10.5- 11.5% to about 7.5% - 8.5% in 2018-2019
- Hotel assets have been observed to transact between an EV/ EBITDA multiple of approximately 11 -13 historically and over the past few years has improved to an approximately 12 – 16 multiple
- The increased appetite for income producing assets and availability of various modes of finance (real estate credit flows) backing such acquisitions
- The demand supply situation in the respective city and expected dynamics of demand leading supply - given the barriers to entry such as land availability, higher initial cost outlays etc. developers are expected to focus on fully built to suit or semi-speculative projects (with key tenants tied in prior to launch of construction)
- Inflation – inflation (and interest rates) expected to be maintained in check with interventions from regulators in case of severe swings
- Liquidity associated with REIT listed/ public listings (multiplicity of buyers and relatively lower budgets per buyer)
- Year of Exit: The 1 year forward net operating income (for office & retail component) and EBIDTA (for hotel component) after 10 years (after 11 years for Block 9 – JPM Pre-lease/BTS on account of expected lease expiry in Year 11) is utilized for the purpose of calculation of exit value. Further, based on the above highlighted attributes, the following cap rates have been adopted for the purpose of our valuation to arrive at the exit value in Year 10.

Based on the above highlighted attributes, the following cap rates have been adopted for the purpose of our valuation.

Asset/ Property Name	Particular
Embassy TechVillage	Office (Completed and Under Construction Blocks) - 8% Hotel - EV-EBITDA multiple of 14

4.2 Discount Rate Adopted

For discounting the cash flows, an appropriate discount rate has been calculated on the basis of estimated 'Weighted Average Cost of Capital' (WACC).

4.2.1 Cost of Equity

We have computed the cost of equity as per the Capital Asset Pricing Model (CAPM), which is derived as follows:

Cost of equity = Risk Free Rate (Rf) + Beta (β) * (Market Return (Rm) – Risk Free Rate (Rf))

As mentioned above, the cost of equity computed using CAPM constitutes of the following components:

- Risk free rate (Rf) i.e. long term (10-year) treasury bond rate in India
- Market return (Rm) based on the returns of Broad Based BSE 500 stock index for the past 10 to 15 years
- Computation of 'Beta (β)' of key listed realty stocks in India with respect to the Broad Based BSE 500 stock index

The cost of equity adopted for specific projects has been adjusted for market/ project specific risk pertaining to a real estate project such as execution risk (construction status), approval risk, marketing risk etc. and adjusted for taxation. While the assumptions regarding the quantum of these risks have no quantitative basis, we have adopted them based on our understanding of the market and our opinion on the project performance.

4.2.2 Cost of Debt

<u>Completed Blocks</u>

The cost of debt for competed office blocks has been considered based on prevalent Lease Rental Discounting (LRD) rates for Grade A office parks across Bengaluru.

<u>Under Construction/ Proposed Blocks</u>

For under construction/ proposed blocks, the cost of debt has been considered based on prevalent Construction Finance (CF) rates for Grade A office parks across Bengaluru.

4.2.3 Weighted Average Cost of Capital (WACC)

<u>Completed Blocks</u>

As highlighted earlier, the cost of debt has been assumed based on the prevalent LRD rates while the cost of equity assumed has been adjusted for asset and market specific attributes to reflect the market expectations from an operational Grade A office development. Further, the proportion of debt and equity has been derived considering the prevalent LRD tenures and its contribution in the overall asset value. The debt proportion has also been cross-checked with actual debt position of the asset and was found to be broadly in line.

Based on above, the following WACC rate has been assumed for completed office blocks at the subject property under the purview of this exercise:

Asset/ Property Name	Particular	Proportion	Cost	WACC
Embassy TechVillage, Bengaluru	Debt	45.00%	9.00%	12.03%
	Equity	55.00%	14.50%	

Under construction/ Proposed Blocks

As highlighted earlier, the cost of debt has been assumed based on the prevalent CF rates. Further, on the base cost of equity assessed for completed blocks, additional risk premium towards construction and marketing has been adopted to arrive at the cost of equity for under construction/ proposed blocks. Additionally, the proportion of debt and equity has been derived considering the leverage extended for construction of Grade A office developments based on industry benchmarks, feedback received from financial institutions and actual debt position of the subject property.

Based on above, the following WACC rate has been assumed for under construction/ proposed office blocks at the subject property under the purview of this exercise:

Asset/ Property Name	Particular	Proportion	Cost	WACC
Embassy TechVillage, Bengaluru (Parcel 8 - office)	Debt	60.00%	11.00%	13.00%
	Equity	40.00%	16.00%	
Embassy TechVillage, Bengaluru (Block 9 – JPM Pre-lease/BTS)	Debt	60.00%	11.00%	13.00%
	Equity	40.00%	16.00%	

Embassy REIT will be provided with rental support for Block 9 – JPM Pre-lease/BTS from the date of acquisition to rent commencement date. Given the Embassy REIT proposes to acquire this property similar to a rent-generating asset (on account of the rental support), the risk profile of Block 9 – JPM Pre-lease/BTS is similar to a completed block except the construction risk. Accordingly, we have adopted a discount rate of 13% during construction and 12.03% post completion of Block 9 – JPM Pre-lease/ BTS.

Hotel

For the hotel component at the subject property, the cost of debt has been considered based on the prevalent lending rates for hospitality assets. Further, the cost of equity has been assessed keeping in purview the historical returns of listed hospitality stocks, duly factoring in the risk premium for the status of development and impact of seasonality in sustaining a stable ARR and occupancy. Additionally, the proportion of debt and equity has been derived considering the leverage extended for hospitality developments based on industry benchmarks and feedback received from financial institutions.

Based on above, the following WACC rate has been assumed for hotel component at the subject property under the purview of this exercise:

Asset/ Property Name	Particular	Proportion	Cost	WACC	WACC
Embassy TechVillage, Bengaluru (Parcel 8 - Hotel)	Debt	50.00%	10.50%	12.63%	13.60%*
	Equity	50.00%	14.75%		

** Additional risk premium adopted towards construction and operations commencement*

The cash flows are assumed to realize evenly during the course of every quarter, hence a mid-quarter discounting convention has been adopted for the purpose of this valuation. Additionally, we have also not factored any cash flows attributable to working capital requirement/expenses for valuation as the same is immaterial.

5 Valuation Certificate

Property Name:	'Embassy TechVillage' is a commercial office development with ancillary retail and hospitality component located along Sarjapur Outer Ring Road, Devarabeesanahalli, Bengaluru, Karnataka
Property Address:	Devarabeesanahalli Village & Kariammana Agrahara Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka
Land Area:	Based on information provided by the Client (viz. title report), the Valuer understands that the total land area of the larger land parcel admeasures approx. 103.44 acres and the land area under the purview of this exercise admeasures approx. 84.05 acres. Total land area under the ownership of Vikas Telecom Private Limited ("VTPL") is 80.05 acres and under Sarla Infrastructure Private Limited ('SIPL") is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL and same is considered for the purpose of this valuation exercise.

Brief Description:

The subject property "Embassy TechVillage" is an office park located in Bengaluru comprising:
(i) Commercial development by Vikas Telecom Private Limited ("VTPL") consisting of approximately 6.1 million square feet (msf) of completed office area, approximately 2.0 msf of under-construction area and 518 proposed hotel keys along with the associated business of common area maintenance services
(ii) 1.1 msf of under-construction area being developed by Sarla Infrastructure Private Limited ("SIPL"), which has been fully pre-leased, along with the associated business of common area maintenance services

The subject property is located along the Sarjapur Outer Ring Road (ORR), which is a prominent arterial road in the city. It is the south-eastern portion of the concentric outer ring road. Sarjapur Outer Ring road has emerged as one of the most prominent commercial office hubs of Bengaluru, on account of the premium quality of commercial office spaces and connectivity to other established micro-markets across the city. Some of the prominent commercial developments along Sarjapur-ORR include Embassy TechVillage (subject property), RMZ Ecospace, RMZ Ecoworld, Prestige Tech Park, Cessna Business Park, etc. The area details of the property are as follows:

Particulars	Leasable area (in sf)
Completed Blocks	
Block 1A – Carnation	874,000
Block 2A – East wing & West Wing	932,617
Block 2B – Hibiscus	664,262
Block 2C – Lilac	32,902
Block 2D – Gardenia	285,544
Block 5 – A to L	2,437,514
Block 7B – Primrose	911,003
Planned/Under Construction Blocks	
Parcel 8 – Block A	431,024
Parcel 8 – Block B	433,705
Parcel 8 – Block C	430,787
Parcel 8 – Block D	544,200
Parcel 8 – Block Retail	89,588
Parcel 8 –Hotels	729,445*
Parcel 8 – Convention Center	53,224*

Block 9 – JPM Pre-lease/BTS	1,105,286
Total	**9,955,101**

*Source: Architect certificate, Client Inputs; *Representative of developable area*

The subject property is located at a distance of 4-5 km from Marathahalli junction, 5-6 km from Sarjapur road-ORR interchange, 9-10 km from Koramangala & K R Puram Junction, 13-14 km from MG Road (CBD) and 43-44 km from Kempegowda International Airport

Statement of Assets (sf):

Based on review of various documents (such as architect certificate, rent roll, lease deeds, etc.), the subject property is an operational office asset with approximately 6.1 msf of completed leasable area with an occupancy of approximately 97.3% as on the date of valuation. Table below highlights the leasable area break-up for the subject development commensurate to the interest valued in Embassy TechVillage:

Block	Total Area (sf)*	Operational area (in sf)	Under Construction area (in sf)
SEZ Area	**3,700,328**	3,700,328	-
Non – SEZ Area	**5,472,104**	2,437,514	3,034,590
Total – Office/ Retail	**9,172,432**	**6,137,842**	**3,034,590**
Hotel (including convention centre)	782,669	-	782,669

Source: Architect Certificate, Rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area; 8,849,815 sf of the total area(including area for Hotel and convention center) is under the ownership of VTPL (Vikas Telecom Private Limited) and the balance 1,105,286 sf of the total area is under the ownership of SIPL (Sarla Infrastructure Private Limited)

Valuation Approaches:

Valuation Approach	Completed Blocks	Under Construction/ Land Stage Blocks
Office/Retail Component	Discounted Cash Flow Method (using rent reversion approach)	Discounted Cash Flow Method (using rent reversion approach)
Other Components – Hotel, Convention, etc.	NA	Discounted Cash Flow Method

Nature of Interest of REIT in the asset:

Freehold interest for total land area under the ownership of Vikas Telecom Private Limited ("VTPL") i.e. 80.05 acres and under Sarla Infrastructure Private Limited ('SIPL") is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL (in addition to the 4 acre freehold interest of SIPL) for a period of 40 years and same is considered for the purpose of this valuation exercise

Date of Valuation: September 30, 2020

Date of Inspection: July 09, 2020

Purchase Price for the property: NA

Ready Reckoner Rate (as per documents

Land Rate: INR 92,500 per sqm

Built-up Rate: INR 87,500 per sqm

published by State Government):

Value of the Assets owned by the Embassy REIT: NA

Value Conclusion as of September 30, 2020:

Component	Area (sf)[1]	Market Value (INR Mn)
Completed Area - ETV	6,137,842	77,159
Under Construction Area - ETV[2]	1,929,304	13,752
Under Construction Area – Sarla[3]	1,105,286	11,381[4]
Total	9,172,432	102,292

1. *The area included under the purview of this exercise is restricted to the blocks highlighted in the brief description of this valuation certificate.*
2. *Area exclusive of developable area of 782,669 sf corresponding to under-construction hotels and convention center. Value inclusive of value corresponding to under-construction hotels and convention center.*
3. *Sarla refers to SIPL (Sarla Infrastructure Private Limited) – the entity undertaking construction of Block 9 – JPM Pre-lease/BTS. Based on a specific instruction from the Client, we have been requested to provide the valuation of the property with the benefit of the proposed rental support and rental guarantee.*
4. *Value highlighted is representative of the market value of Block 9 – JPM Pre-lease/BTS (viz. INR 10,011 Mn) and additionally includes the net present value of the rental support and rental guarantee to Embassy REIT of INR 1,370 Mn for (undiscounted value of INR 1,441 Mn to be received over a period of time as indicated below). This is based on representation made to us relating to contractual arrangements proposed to be in effect between the Sellers and the Client at the date of acquisition. While the entire 1,105,286 sf of leasable area of SIPL is already pre-leased, the property is currently under construction. Given the Embassy REIT proposes to acquire this property similar to a rent-generating asset, the Sellers have also agreed to provide rental support to SIPL of INR 1,441 Mn from the proposed date of acquisition until the rent commencement date.*

Any matters which may affect the property or its value: Please refer section 6.4 of this report

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

Prepared by: iVAS Partners, represented by Mr. Mainsh Gupta

Official Signatory of the Valuer:

Name: Mr. Manish Gupta
Designation: Partner, iVAS Partners
Valuer Registration Number: IBBI/RV-E/02/2020/112

6 Embassy TechVillage

6.1 Property Description

Brief Description	
Particulars	Details
Property Name	Embassy TechVillage
Address	Devarabeesanahalli Village & Kariammana Agrahara Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka
Land Area	Based on information provided by the Client (viz. title report), the Valuer understands that the total land area of the larger land parcel admeasures approx. 103.44 acres and the land area under the purview of this exercise admeasures approx. 84.05 acres. Total land area under the ownership of Vikas Telecom Private Limited ("VTPL") is 80.05 acres and under Sarla Infrastructure Private Limited ("SIPL") is 4.00 acres. Further, it is understood that out of total land area of 80.05 acres under the ownership of VTPL, 4.00 acres is leased to SIPL and same is considered for the purpose of this valuation exercise.
Leasable Area	Total Operational Area – 6.1 msf Total under-construction Area - 3.1 msf; Hotel - 518 keys (developable area of hotel and convention - 782,669 sf)

Source: Title Report, Architect Certificate

6.1.1 Site Details

Situation: Subject property – 'Embassy TechVillage' is an operational Office Park with ancillary retail and hospitality components located along Sarjapur Outer Ring Road, Devarabeesanahalli, Bengaluru, Karnataka.

Location: The subject property is located along Sarjapur-ORR stretch towards south-east of Bengaluru City. This stretch of the road has emerged as an important commercial vector of Bengaluru with establishment of significant commercial activity primarily focused towards SEZ and Non SEZ developments. Along with the increased commercial activity along the stretch, the region has also witnessed development of other real estate components such as residential apartments, hotels etc., which has enhanced the profile of the subject location.

Some of the prominent commercial developments along Sarjapur-ORR include Embassy TechVillage **("the subject property")**, RMZ Ecospace, RMZ Ecoworld, Prestige Tech Park, Cessna Business Park, Pritech Tech Park, etc. Prominent residential apartment developments currently marketing in the subject location include Mantri Espana, Sterling Ascentia, Adarsh Palm Retreat, etc. Prominent hotels in the subject location include Novotel, IBIS, Courtyard and Fairfield by Marriot, etc. Although the subject location is an active real estate market, the region has witnessed limited quantum of organised retail activity.

The distances from key hubs to the subject property are presented in the table below:

Landmark	Distance (km)
Marathahalli Flyover	4-5
Sarjapur road-ORR interchange	5-6
Koramangala	9-10
K R Puram Junction	9-10
MG Road (CBD of Bengaluru)	16-18
Kempegowda International Airport	43-44

Source: Consultants' Research

Surrounds: The subject property is surrounded as follows:

- **North:** New Horizon College of Engineering
- **South:** Country Club
- **East:** Secondary Access Road – Doddakannalli Kadubeesanahalli Road
- **West:** Primary Access road – Sarjapur Outer Ring Road

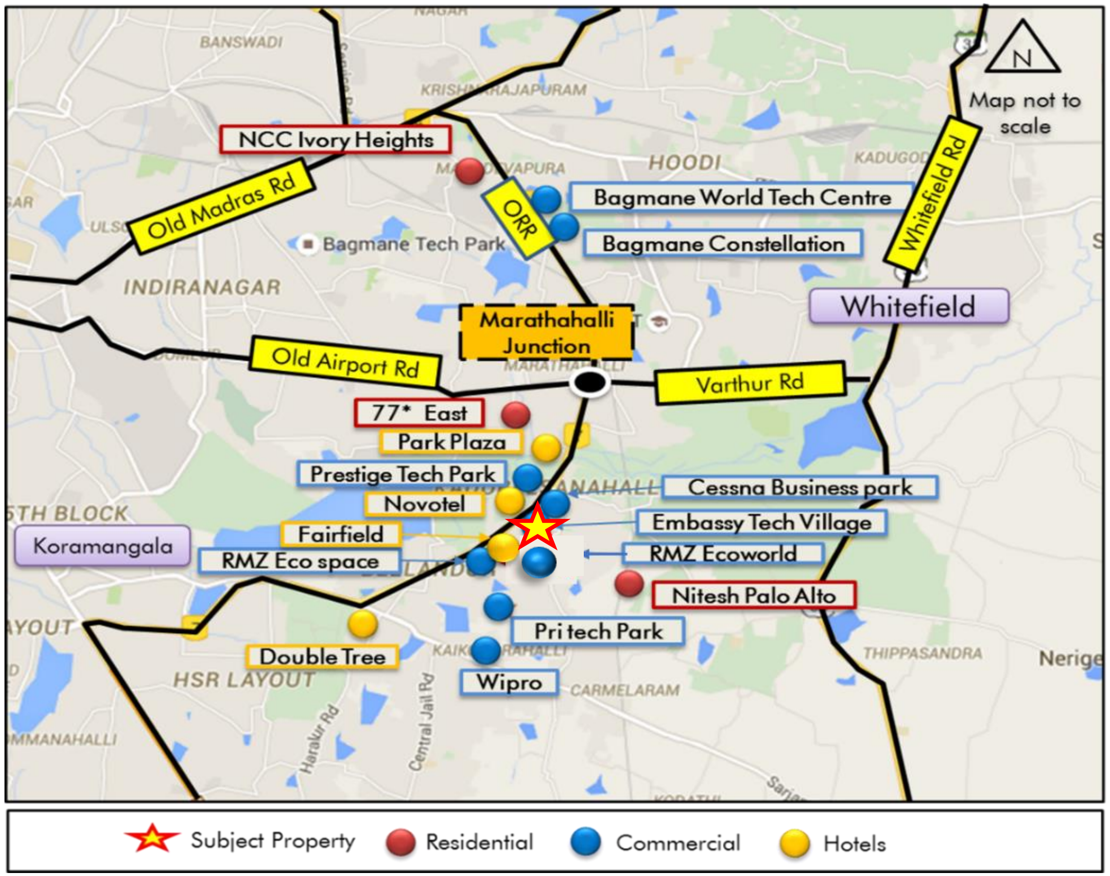
Potential changes in surroundings: As highlighted earlier, the subject micro-market is one of the most preferred commercial office hubs of the city. The entire stretch of Sarjapur ORR starting from Sarjapur Junction to Marathalli Junction is zoned as Mutation Corridor, providing ease of commercial/ residential conversion along with higher FAR (3.25), enabled the location to maximize development potential. Owing to the strategic location, there is significant development potential that is currently under development or planned and is expected to add to considerable supply in commercial, residential, retail and hotel space.

On account of the significant commercial activity along this stretch, several prominent developers have evinced interest in this location on account of the increased demand for housing by the working populace of this stretch. On account of the same, the location is witnessing emergence of several mid/high-end/ luxury residential apartment projects which are witnessed to be medium-large scale in nature. In addition, prominent hotels along this stretch include Courtyard & Fairfield by Marriot, Novotel & Ibis, Aloft, etc. Few more hotels and retail developments are under planning stages. On account of the above-mentioned developments, the location is expected to transform from an established commercial office hub to a self-sustained hub, expected to comprise of a sizable

	quantum of other real estate components (viz. residential, hospitality, retail) and social infrastructure. Further, The Bengaluru Development Authority has constructed several flyovers on ORR in an effort to make the ORR signal free. The signal free corridor is expected to cover 31 km starting from Central Silk Board Junction in South to Hebbal flyover in North along the eastern stretch covering the entire Sarjapur ORR. These infrastructure initiatives have significantly improved the connectivity and accessibility. Additionally, the planned metro connectivity along Sarjapur ORR is expected to further enhance the connectivity aspect and improve the overall profile of the micro-market. In addition the up-coming metro network via Phase 2,2A and 3 will lead to a significant boost to the connectivity of the subject region with other markets across Bengaluru
Suitability of existing use:	Considering the nature of subject development coupled with site, location and profile of the surrounding developments, the subject property is opined to be suited for its current use viz. Office Park development with ancillary retail and hospitality component

The following map indicates the location of the subject property and surrounding developments:

Location Map for the Subject Property



Source: Consultants' Research

Shape:	Based on site plan provided by the Client and visual inspection during the site visit, we understand the larger land housing the subject property is irregular in shape.
Topography:	Based on the site plan corroborated with the site visit, the subject site appears to be even and on the same level as abutting access roads and adjoining properties.
Frontage:	Based on review of site plan, visual inspection and measurements made on Google maps, we understand that the frontage of subject site is approximately 300 meters along the ORR.
Accessibility:	Based on site maps provided by the Client, coupled with visual inspection undertaken, the access to the subject property is by the service road, emanating from 150 feet wide Sarjapur Outer Ring Road, which acts as the primary access to the subject property. By virtue of the same, the property enjoys excellent accessibility and frontage. The subject property further enjoys a secondary access via Doddakannalli Kadubeesanahalli Road (connecting Panathur and Sarjapur Road). Please refer Exhibit & Addenda 6.2 for the site plan of the subject property.

6.1.2 Legal Details

As per the title due diligence undertaken by J. Sagar Associates and information by the management, we understand that the exact address of the subject property is Devarabeesanahalli Village & Kariammana Agrahara Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru, Karnataka.

Further, this appraisal exercise is based on the premise that the subject property has a clear title and is free from any adverse encumbrances, disputes, claims, etc. "Consultants" have not made any inquiries in this regard with the relevant legal/ statutory authorities.

6.1.3 Town Planning

Zoning	As per the information provided by the Client, we understand that the subject property is zoned as "**Mutation Corridor**" and is being developed for IT/ITeS (SEZ) and IT/ITeS (Non-SEZ) use. It is located within the jurisdiction of Karnataka Industrial Areas Development Board (KIADB). The same has been considered for the purpose of this appraisal. The Consultants have made no further inquiries with the local authorities in this regard. The permissible land use adopted by the Consultants for the subject property is based on information/review of various documents provided by the Client. It must be noted that all factual data viz. permissible development control regulations, land area and achievable FSI have also been based on information/review of various documents (such as title deed, plan sanction letter, site plan, etc.) provided by the

	Client or assumed based on building regulations, and no physical verification/ measurement has been undertaken for the purpose of this valuation exercise. For the purpose of this exercise, it has been assumed that all developments adhere to building regulations as prescribed by the relevant authorities. Consultants have not validated the information provided by the Client with the relevant development authorities.
Approved Usage:	Based on the occupancy certificates provided by the Client and visual inspection, we understand that the subject property is an Office Park (SEZ & Non-SEZ), comprising of 4 operational blocks i.e. Block 1, 2, 5 and 7, currently leased to 42 unique office tenants and 35 unique tenants in the ancillary retail/food court area. The current use of the subject property has been provided by the Client and is broadly in agreement with the rules and regulations as prescribed by the local development authority. However, the 'Consultants" have not made any enquiries with the relevant local authorities to validate the same for its specific applicability to the subject property.
Restrictions:	As per feedback received from the Client, there are no restrictions on the current use of the property.
Natural or induced hazards:	We are of the opinion that the project/ site has been developed to withstand natural or induced hazards (with the exception of extreme/ out of the ordinary hazards).
Approvals:	Based on information provided by the Client and review of the approval documents, we understand that all the requisite approvals and occupancy certificates for all the completed area at the subject property have been received and the requisite approvals for the under-construction areas have been received/applied for and will be obtained in compliance with the completion timelines for the respective areas.

6.1.4 Statutory Approvals, One-time Sanctions & Approvals

6.1.4.1 *Statutory Approvals received and to be received and One-time Sanctions & Approvals*

As per approval documents shared by the Client, it is understood that all requisite approvals and occupancy certificates for the operational blocks have been received. The Client also has the sanction plan for the entire development, hence for all the under-construction & proposed blocks, individual approvals have been received/applied for and will be obtained in compliance with the completion timelines for the respective areas.

The details of the occupancy certificate for the respective completed blocks have been shared by the Client and the same have been reviewed by the 'Consultants' and considered for the purpose of the valuation exercise:

Block Name	Authority	Date of Issue (DD-MM-YY)
Block 2B – Hibiscus	Karnataka Industrial Areas Development Board (KIADB)	25-10-08
Block 2D - Gardenia	Karnataka Industrial Areas Development Board (KIADB)	25-10-08
Block 2C – Lilac	Karnataka Industrial Areas Development Board (KIADB)	14-07-09
Block 2A- East Wing	Karnataka Industrial Areas Development Board (KIADB)	15-03-11
Block 2A – West Wing	Karnataka Industrial Areas Development Board (KIADB)	02-12-14
Block 1A - Carnation	Karnataka Industrial Areas Development Board (KIADB)	23-03-17
Block 7B - Primrose	Karnataka Industrial Areas Development Board (KIADB)	27-09-17
Block 5 – A, B, C, D, E, F, G, H, K, L	Karnataka Industrial Areas Development Board (KIADB)	01-08-18
Block 5 – I and J	Karnataka Industrial Areas Development Board (KIADB)	09-04-19

Source: Occupancy certificates as provided by the Client

The table below highlights the status of approvals for the under-construction blocks:

Parcel 8 (Office, Retail, 5 Star and 3 Star Hotel with Convention Center)

Approval/NOC	Status (Applied/Received)	Authority	Date of Issue (DD-MM-YY)
Modified Development Plan Approval	Received	KIADB	19-12-19
Sanction Plan	Received	KIADB	19-12-19
Commencement Certificate	To be applied	KIADB	NA
Fire NOC	Received	Office of the Director General of Police	14-01-20
Height Clearance	Received	AAI	09-01-15
Clearance for Water Supply	Applied	BWSSB	NA
Clearance from Electricity Authority	Received	KPTCL	18-12-17
Clearance from Pollution Control Board	Received	KSPCB	24-05-07
Environment clearance	Received	MOEF	02-02-07
Final Fire NOC	To be applied	Office of the Director General of Police	NA
Occupancy Certificate	To be applied	KIADB	NA

Source: Approval documents provided by the Client

Block 9 – JPM Pre-lease/BTS

Approval/NOC	Status (Applied/Received)	Authority	Date of Issue (DD-MM-YY)
Modified Development Plan Approval	Received	KIADB	19-03-19
Sanction Plan	Received	KIADB	19-03-19
Commencement Certificate	Received	KIADB	30-12-19
Fire NOC	Received	Office of the Director General of Police	05-04-19
Height Clearance	Received	AAI	09-01-15
Clearance for Water Supply	Applied	BWSSB	NA
Clearance from Electricity Authority	Received	KPTCL	18-12-17
Clearance from Pollution Control Board	Received	KSPCB	24-05-07
Environment clearance	Received	MOEF	02-02-07
Final Fire NOC	To be applied	Office of the Director General of Police	NA
Occupancy Certificate	To be applied	KIADB	NA

Source: Approval documents provided by the Client

6.1.5 Area Details, Type and Age of Existing Structures

The table below highlights the area details of the subject property:

Subject Property	Developable Area (sf)	Completed Area (sf)	Committed Area (sf)	Occupied Area (sf)
Embassy TechVillage	13,335,837	6,137,842	6,039,778	5,973,526

Source: Architect Certificate, Rent roll, lease deeds provided by Client;

The table below highlights the detailed area break-up of the subject development:

Block Name	Building Elevation	SEZ/Non-SEZ	Age (Years)	Leasable Area (sf)
Completed Blocks				
Block 1A – Carnation	2 Towers 2B+G+10	SEZ	4	874,000
Block 2A- East Wing	2B+G+UG+6	SEZ	10	494,246
Block 2A – West Wing	2B+G+UG+6	SEZ	7	438,371
Block 2B – Hibiscus	B+G+7	SEZ	12	664,262
Block 2C – Lilac	B+G+4	SEZ	11	32,902
Block 2D – Gardenia	B+G+6	SEZ	12	285,544
Block 7B – Primrose	2B+G+10 MLCP: 2B+G+11	SEZ	3	911,003
Block 5 – ABC (Alyssa, Begonia and Clover)	A – 2B+G+9 B – 2B+G+8 C – 2B+G+10	Non-SEZ	2	837,279
Block 5 – D (Daffodils)	2B+G+1	Non-SEZ	2	26,605
Block 5 – E (Orchids)	2B+G+4	Non-SEZ	2	103,433
Block 5 – F (Flora)	2B+G+4	Non-SEZ	2	116,959
Block 5 – G and H (Tulips)	G – 2B+G+10 H – 2B+G+8	Non-SEZ	2	456,976
Block 5 – I and J (Trillium)	I – 2B+G+6 J – 2B+G	Non-SEZ	1	699,454
Block 5 – K (Marigold)	2B+G+1	Non-SEZ	2	30,268
Block 5 – L (Lavender)	2B+G+5	Non-SEZ	2	166,540

Block Name	Building Elevation	SEZ/Non-SEZ	Age (Years)	Leasable Area (sf)
Total				**6,137,842**
Under-construction Blocks				
Parcel 8 – Block A – Office	NA	Non-SEZ	NA	431,024
Parcel 8 – Block B – Office	NA	Non-SEZ	NA	433,705
Parcel 8 – Block C – Office	NA	Non-SEZ	NA	430,787
Parcel 8 – Block D – Office	NA	Non-SEZ	NA	544,200
Parcel 8 - Retail	NA	Non-SEZ	NA	89,588
Block 9 – JPM Pre-lease/BTS	NA	Non-SEZ	NA	1,105,286
Total				**3,034,590**

Source: Architect Certificate, Rent roll, lease deeds, Occupancy Certificate provided by Client

In addition to the office blocks, the subject property also includes an under-construction hospitality component (as part of Parcel 8) with a developable area of 782,669 sf inclusive of a convention center. The developable area details for the same have been tabulated below:

Block Name	Building Elevation	Age (Years)	Developable Area (sf)/ No. of Keys
Hospitality Block			
Parcel 8 – Hotels	NA	NA	729,445 (518 Keys)
Parcel 8 – Convention Centre	NA	NA	53,224
Total			**782,669**

Details	Completed Blocks	Under Construction Blocks
Grade of the Building	Grade A	NA
LEED Certification	IBGC Green Campus Platinum	NA
Structural Design	2B+G+1 to 2B+G+11	NA
Status of Finishing	Warm Shell	NA
Comments on Obsolesce	The building is currently well maintained	NA

Source: Site visit, occupancy certificate, lease deeds, Indian Green Building Council certificate

6.1.6 Site Services and Finishes

Particulars	Details
Handover condition	Warm Shell
Passenger elevators	Provided
Service elevators	Provided
Power back-up	Provided
Building management system	Provided
Security systems	Provided
Air conditioning (HVAC)	Provided
Firefighting services	Provided
Car parks provided	MLCP, Basement, Covered and open car parks

Source: Information provided by Client, site visit, lease deeds

In addition to the above on-site facilities, amenities offered by the asset include intra-city transportation, upcoming outdoor and indoor sports zone, outdoor performance centre, football arena, 2 multi-cuisine food courts housing some prominent F&B brand, upcoming landscaped state-of-the-art central park area, clinical facilities, creche etc. This enables the asset to offer an integrated business ecosystem to its occupiers.

6.1.7 Condition & Repair

Based on information provided by the Client corroborated with our visual inspection during the site visit, it is understood that the subject property is in good condition and is being maintained well. The subject property is developed and managed as per international standards. Further, the subject property offers international standard infrastructure, best-in-class asset management and environment friendly green initiatives. To maintain and upscale the condition of the asset, the Client has allocated the following budget for upgrade / repairs and maintenance expenses towards construction of infrastructure connecting the subject property to the Bengaluru metro line, construction of a central park, upgradation of existing infrastructure, etc. The table below highlights the major upgrade / repairs and maintenance work to be undertaken over the next 2-3 years:

Expense Head	Pending Cost (INR Mn)	Quarter of Completion
Infrastructure Expenses	1,634.19	Q3, FY 2021 – Q1, FY 2026

6.1.8 Property Photographs

Please refer to the property photographs highlighted below:

Embassy TechVillage

External view of the subject property (SP)

Entrance of the SP

Internal Pathways at the SP

External view of the subject property (SP)

View of internal access road

View of the primary access road/entrance

6.2 Tenancy Analysis

6.2.1 Historical Occupancy Rates

The table below highlights the historical occupancy rates at the subject development:

31st March 2018	31st March 2019	31st March 2020	30th September 2020
89.7%	96.6%	97.3%	98.4%

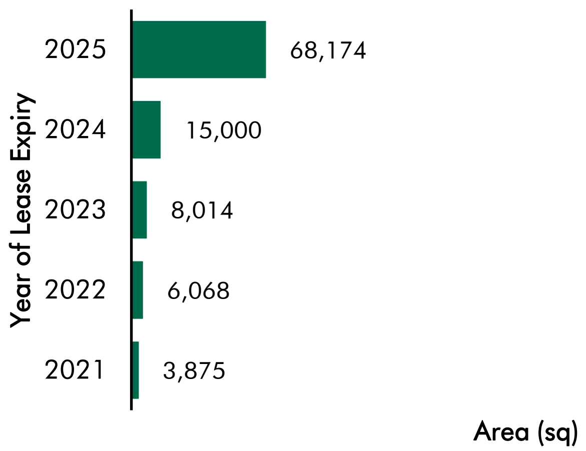
Source: Rent rolls provided by the Client; Indicative of committed occupancy

Embassy TechVillage's scale, quality and wide-ranging amenities have enabled it to attract and retain both domestic and multi-national marquee tenants. The scalability on offer has enabled occupiers to expand within the asset over the years.

6.2.2 Lease Expiry Analysis

The graph below highlights the office area/leases due for expiry in the next 5 years where in leases are scheduled to expire :

Lease Expiry



Source: Rent Rolls and lease deeds (representative of financial year ending; Reflective of ultimate expiry date for a lease post contracted renewal terms)

As highlighted in the chart above, a minimal area of 0.10 Mn sf (approx. 1.7% of office area leased) is due to expire from FY 2021 to FY 2025. Majority of the existing leases would expire post FY 2028. Considering the limited quantum of leases due for expiry in the short term (next 3 years), we opine that the marketing/leasing risk of the subject property would be relatively lower. However, please note that close to 3 msf of the total area leased at the subject development, is due for expiry / renewal in between years FY 2028 and FY 2030 and hence, a large quantum of space is expected to come up for renewal at that time. Additionally, the Weighted Average Lease Expiry (WALE) for the entire development is approx. 9.8 years (by area) and 9.7 years (by rental) as on the date of valuation. The Consultants have undertaken an in-depth analysis of the rent roll/ lease deeds shared by the Client, to understand the lease expiry schedule of top tenants at the subject property and rent for those spaces as of date of valuation. The intent of the same is to analyse the risk of tenant churn as well as assessing the re-leasing risk for the property along with opining on the timeframe to lease-up the spaces in case a significant vacancy arises at the property.

6.2.3 Escalation Analysis

As per the review of recently executed leases at the subject property, it is understood that the contracted escalation terms for these leases are in the range of 10.0% to 15.0% every 3 years, which is in line with the prevailing market practise witnessed across the sub market and Bengaluru.

6.3 Assumptions Rationale

As highlighted earlier, the subject property is located towards the South-East of Bengaluru city, extending from KR Puram junction till Sarjapur Road intersection along Outer Ring Road (ORR). The micro-market housing the subject property – Sarjapur Outer Ring Road has emerged as a prominent IT/ ITeS destination, subsequent to the establishment of Intel Campus in 2002. Further, commercial activity in the subject region was catalysed post completion of the ORR in 2004. Owing to the strategic location and excellent accessibility, the micro-market has also been witnessing significant development activity of large scale commercial projects (SEZ & Non SEZ) over the past few years.

Few of the prominent commercial IT/ITeS developments in the subject micro-market include Prestige Tech Park, Cessna Business Park, RMZ Ecospace, RMZ Ecoworld, Salarpuria Hallmark, Salarpuria Touchstone, Embassy TechVillage (subject property), etc. The subject micro-market has also witnessed development of large SEZs such as Cessna Business Park by Prestige Group, Bagmane World Trade Centre and Pritech Park.

With the increase in IT/ ITeS activity in the recent past, residential activity has also witnessed a commensurate increase in and around the region to support the increasing demand of working populace looking at housing options close to their workplace. Some of the operational retail malls in the subject location include Soul Space Spirit and Soul Space Arena. The subject micro market is also witnessing development of Business Hotels primarily on account of demand from corporates. Prominent Business Hotels operational in this location include Novotel, IBIS, Courtyard, Fairfield, etc.

Going forward, Sarjapur Outer Ring road stretch is expected to witness increase in capital values across asset classes owing to limited availability of land on the main road, and continued image of Sarjapur Outer Ring road as a preferred IT destination as compared to other locations such as Whitefield, North Bengaluru, etc.

6.3.1 Demand and Supply Dynamics

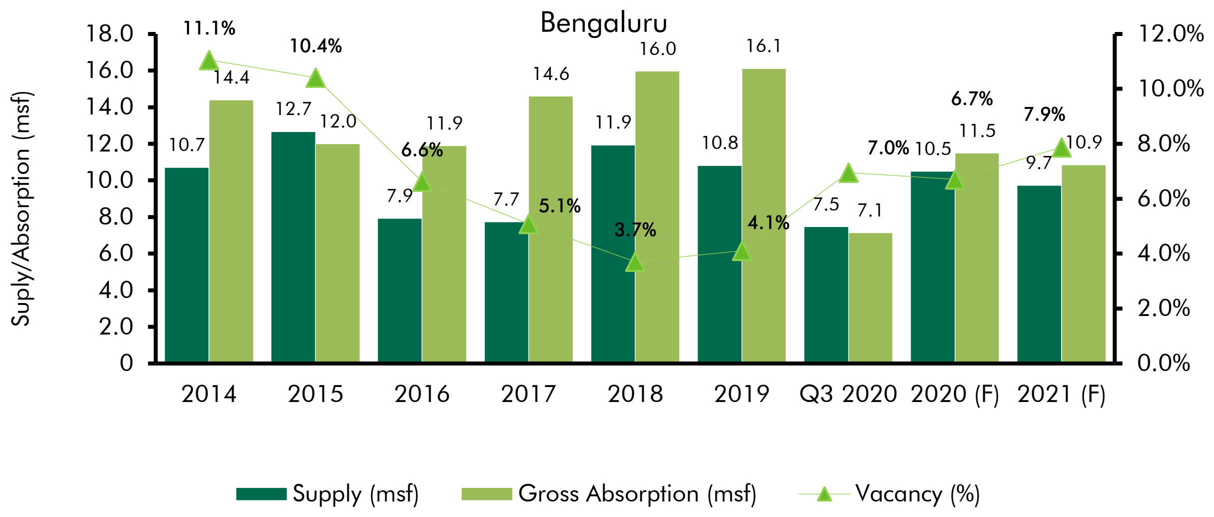
6.3.1.1 Demand, Supply and Vacancy Trends – Bengaluru and Outer Ring Road sub market

Total completed stock in Bengaluru as of Q3, CY 2020 is 164.94 msf, out of which ORR sub market account for Approx. 32.77%.

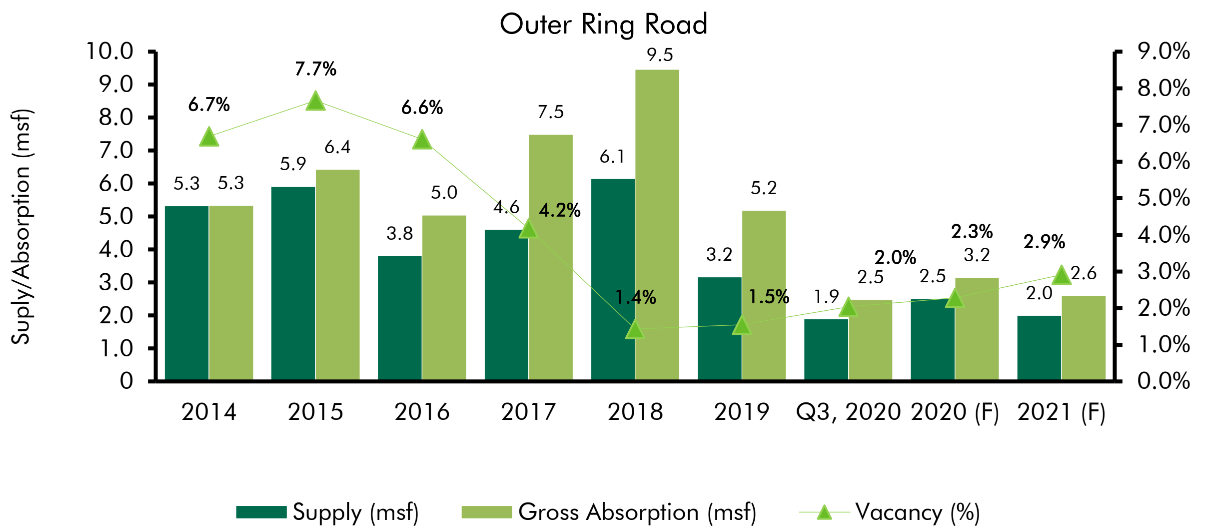
Particular	Bengaluru	Outer Ring Road
Cumulative completed office stock (Q3 2020)	Approx. 164.94 msf	Approx. 54.05 msf
Cumulative occupied stock (Q3 2020)	Approx. 153.46 msf	Approx. 52.95 msf
Current vacancy (Q3 2020)	Approx. 7.0%	Approx. 2.04%
Average annual office absorption (2014 – Q3,2020) – Gross Absorption	13.65 msf	6.14 msf
Future supply (Q4 2020 – 2021)	Q4 2020 – 3.03 msf 2021 – 9.72 msf	Q4 2020 – 0.62 msf 2021 – 2.00 msf

Source: CBRE Research

Demand – Supply Dynamics (Bengaluru)



Demand – Supply Dynamics (Outer Ring Road)



Source: CBRE Research; Note: Supply – refers to fresh completed supply added each year; Absorption – refers to gross absorption; the vacancy in the chart accounts for the gap between cumulative stock and demand in the city in any given year.

Over the past two decades, Bengaluru has emerged as the nerve centre of India's information technology industry characterized by the presence of a large number of prominent Technology companies, Research and Development (R&D) centres and prominent educational institutions. Sustained demand for office space has spurred growth of commercial real estate in the city, with a significant expansion in transaction velocity across most micro-markets in the past few years.

Availability of larger sized land parcels, good quality office space at affordable rentals, presence of skilled manpower along with good connectivity and improved infrastructure are some of the reasons that have spurred demand for office space from corporate occupiers. As highlighted earlier, the subject development is located in the ORR micro-market.

Availability of quality spaces and a sizable supply pipeline across organized business parks has placed this sub market on track to emerge as one of the long-term growth vectors for commercial leasing in Bengaluru.

6.3.1.2 *Key Developments in Sub Market*

The table below highlights the prominent developments in the subject sub market:

Building Name	Development Type	Leasable Area (in msf)	Approx. Vacancy (%)	Quoted Rent (INR psf pm)
Development 1	SEZ & Non-SEZ	7.40	Minimal	95.0 -105.0
Development 2	SEZ & Non-SEZ	8.90	Minimal	90.0 -95.0
Development 3	SEZ & Non-SEZ	5.10	Minimal	90.0 -95.0
Development 4	Non-SEZ	4.83	Minimal	90.0 -95.0
Development 5	Non-SEZ	2.09	Minimal	90.0 – 95.0

Source: CBRE Research

6.3.2 Lease Rent Analysis

The prevailing quoted lease rentals for Commercial Office Parks in the micro-market ranges between INR 85 to 105 per sf per month, on warm shell basis; depending upon specifications offered, location and accessibility of the development (viz. along/off the main arterial roads), quality of construction, developer brand, amenities offered, etc. In addition, the maintenance charge for these developments varies in the range of INR 10.0 – 12.0 psf pm. The parking charges in such developments range between INR 3,000 – 6,000 per bay per month for covered car parks.

Based on our market research we understand that the rent in the subject sub market has witnessed appreciation of approx. 8.5 – 9.0 % (CAGR) between 2014 & Q3, 2020.

The table below highlights some of the recent transacted rent for office parks/ assets in the influence region of the subject property:

Date of Transaction	Area (sf)	Tenant	Transacted Rent Value (INR psf pm)*
Embassy TechVillage (the subject property)			
Q3, 2020	16,000	Tenant 1	102.0 – 105.0 (WS)
Q3, 2020	50,000	Tenant 2	114.0 – 118.00 (FF)
Q3, 2019	23,500	Tenant 3	93.0 - 95.0 (FF)
Q2, 2019	14,000	Tenant 4	94.0 - 96.0 (WS)
Outer Ring Road			
Q2, 2020	130,000	Tenant 1	90.0 - 92.0 (WS)
Q2, 2020	25,000	Tenant 2	87.0 - 89.0 (WS)

Date of Transaction	Area (sf)	Tenant	Transacted Rent Value (INR psf pm)*
Q2, 2020	59,000	Tenant 3	92.0 - 94.0 (WS)
Q2, 2020	38,000	Tenant 4	98.0 - 100.0 (WS)
Q1, 2020	36,000	Tenant 5	98.0 - 100.0 (WS)
Q1, 2020	32,000	Tenant 6	92.0 - 94.0 (WS)
Q4, 2019	25,500	Tenant 7	92.0 - 94.0 (WS)
Q4, 2019	21,000	Tenant 8	92.0 - 94.0 (WS)
Q3, 2019	20,000	Tenant 9	94.0 - 96.0 (WS)

*Source: CBRE Research; * Rent is base rent (viz. exclusive of property tax & insurance) on leasable area basis; Note: WS – Warm shell; FF – Fully Fitted-out*

In addition to above transactions in completed blocks within the subject development, there have also been pre-commitments to the tune of approx. 1.92 Mn sf in upcoming blocks within the larger business park (over the last 12-18 months).

Based on the recent transaction witnessed in the micro market as highlighted in the table above and the transaction witnessed in the larger development of the subject property, we understand that the subject property would command a marginal rental (for office space) of INR 90 - 92 per sf per month (say an average rental of **INR 91 per sf per month of leasable area**). Block 9 is pre-committed to a single tenant (JPM) and considering the total leasable area for Block 9 (viz. 1,105,286 sft), a 5.0% discount is considered to the above marginal rental for Block 9 (upon expiry of the lease - Q3, 2031) and reversion to market rental.

The retail space within the subject development operates as ancillary retail, providing convenience to the working population in the subject development. It has been observed that rentals for retail spaces for similar developments (office space with ancillary retail) across Bengaluru command premium over office space rentals, on account of better visibility (presence on lower floors) and better finishes as compared to the office spaces. Given the above, CBRE has assumed lease rentals for high visibility stores in the range of **INR 115 – 120 per sf per month (say INR 118 per sf per month)** as on date of valuation. Further, we have observed that food court tenants pay an average of INR 335 per sf per month (with common seating area) and accordingly, for unleased food court spaces, we have assumed a rental of INR 275 per sf per month on chargeable area (as the seating area is on a sharing basis with other tenants).

6.4 Value Assessment

6.4.1 Adopted Methodology

We acknowledge that the approaches to valuation differ considerably and that for a particular purpose, alternative approaches to the valuation can be utilized subject to the Client's consultations and giving due consideration to the Client's requirements. Considering the objective of this exercise and the nature of asset involved, the value of the subject property has been assessed through the following approaches:

Particulars	Completed Blocks	Under Construction/ Land Stage Blocks
Valuation Methodology	Office & Retail - Discounted Cash Flow Method (using rent reversion approach) Under Construction Hotel - Discounted Cash Flow Method	

The sections below highlight detailed valuation workings for the subject property. Please note that the assumptions/ opinions highlighted in the subsequent sections are to be read in conjunction with section 2.12 and the following:

"In the current uncertain environment caused by the outbreak of the Novel Coronavirus (COVID-19), we have considered / relooked at various performance parameters and have adopted heuristic/ careful interventions (including but not limited to the points mentioned below) to our projected cashflows based on our view as of the date of valuation.

- *Limited escalation in rent and Hotel ARR has been considered over the next few quarters*
- *Construction timelines have been pushed forward by 1-2 quarter*
- *Considering challenges in the short term, timelines have been extended for new space take-up/ future leasing "*

6.4.2 Area statement

Based on rent roll, lease deeds, architect certificate, etc. provided by the Client, we understand that subject property is a commercial office development with support retail and hospitality components. Further, the table below highlights the area configuration of the subject property:

Block	Total Area (sf)	Operational area (in sf)	Under Construction area (in sf)	Proposed area (in sf)
SEZ Area	3,700,328	3,700,328	-	-
Non – SEZ Area	5,472,104	2,437,514	3,034,590	-
Total – Office/ Retail	9,172,432	6,137,842	3,034,590	-
Hotel (including convention centre)	782,669	-	782,669	

Source: Architect certificate, rent roll, lease deeds; Note – office & retail refers to leasable area while hotel & convention refers to developable area

6.4.3 Construction Timelines

6.4.3.1 Completed Blocks

As highlighted earlier, the subject property has approx. 6.1 msf of completed development and no pending cost to complete is reaming as of date of valuation for the completed blocks.

6.4.3.2 Under-Construction/ Proposed Blocks

Based on visual inspection during the site visit and information provided by the Client, the following timelines for construction have been adopted for the purpose of this valuation exercise:

Block	Leasable/ Developable Area (sf)	Construction Commencement	Construction Completion*	Construction (% completion)	Construction Status
Parcel 8 – Block ABC – Office	1,295,516	Already Commenced	Q4, FY 2023	3.7%	Under-Construction
Parcel 8 – Block D – Office	544,200	Already Commenced	Q4, FY 2023	4.0%	Under-Construction
Parcel 8 – Retail	89,588	Already Commenced	Q4, FY 2024	3.8%	Under-Construction
Parcel 8 – Hotels/ Convention Center#	782,669	Already Commenced	Q4, FY 2024	2.7%	Under-Construction
Block 9 – JPM Pre-lease/BTS	1,105,286	Already Commenced	Q2, FY 2022	43.9%	Under-Construction

*Source: Client's inputs; *the timelines are mentioned as per Financial year beginning April to March; #indicates developable area* and rest are leasable area

6.4.4 Absorption/ Leasing Velocity and Occupancy Profile

6.4.4.1 Completed Blocks

In order to arrive at the future absorption levels at the subject property, we have analysed the historical demand and supply trends coupled with the estimation of future supply proposed to be introduced in the subject sub market.

Keeping the same in perspective, we opine that the vacant space in the subject property (viz. approx. 98,064 sf) would be leased by Q4, FY 2022.

6.4.4.2 Under-Construction/ Proposed Blocks

The absorption period assumed for the subject development is based on market dynamics and extent of development in the relevant sub market, nature of subject development, competing supply of same nature, location within the respective sub market, etc. The table below highlights the absorption assumptions adopted for the subject development:

Block	Absorption Schedule	FY 2021	FY 2022	FY 2023	FY 2024	Total
Parcel 8 – Block ABC	Percentage (%)	-	-	50%	50%	**100.0%**
	Leasable Area (sf)	-	-	647,758	647,758	**1,295,516**
Parcel 8 – Block D	Percentage (%)	-	-	100%	-	**100.0%**
	Leasable Area (sf)	-	-	544,200*	-	**544,200**

Block	Absorption Schedule	FY 2021	FY 2022	FY 2023	FY 2024	Total
Parcel 8 – Retail	Percentage (%)	-	25%	30%	45%	**100.0%**
	Leasable Area (sf)	-	22,397	26,876	*40,315*	**89,588**
Block 9 – JPM Pre-lease/BTS	Percentage (%)	-	100%	-	-	**100.00%**
	Leasable Area (sf)	-	1,105,286**	-	-	**1,105,286**
Total Absorption (%)		**-**	**37.16%**	**40.16%**	**22.67%**	**100.00%**
Total Absorption (sf)		**-**	**1,127,683**	**1,218,834**	**688,073**	**3,034,590**

**The absorption is based on the hard option signed under the agreement to lease; **The absorption is based on the pre-commitment signed under the agreement to lease*

Kindly note that the valuation assumptions/inputs pertaining to development timelines, positioning, etc. have been considered based on the Consultant's assessment of the existing on-ground review of the subject property and the subject sub market. Further, the assumptions such as revenue assumptions, absorption period, etc. for the development are based on market benchmarks and extent of vacancy in the subject sub market and competing supply.

6.4.5 Revenue Assumptions (Office & Retail)

6.4.5.1 Lease rent assumptions

6.4.5.1.1 Office Component

For the purpose of this appraisal exercise, the lease rent adopted for the area already leased is based on the rent roll/lease deeds shared by the Client. Further, the Consultants have undertaken an in-depth market research exercise to assess the prevailing rent values in the subject sub market. The same has been adopted for the vacant space for the purpose of this valuation exercise.

Based on our market study and based on the analysis of the rent roll provided by the Client, following rent has been adopted for the purpose of value assessment of the completed blocks at the subject property. The detailed rent assessment workings are highlighted in the lease rent analysis section presented above.

Component	Leasable Area (sf)	Leased Area (sf)	Basis	Rent Adopted (INR psf pm)*
Office	6,137,842	6,039,778	Current Rent for Leased area	68.1 ^
			Marginal rent for reversion/ vacant area	91.0*

Source: Rent roll provided by the Client; Consultants' Assessment,

** The rent mentioned above excludes other income such as CAM charges, parking income received from the tenants, etc.; ^weighted average warm shell rent for area already leased – as per rent roll/lease deeds shared by Client; Please note that the top two anchor tenants (viz. approx. 32% of total occupied area) expire post the ten year projection period and accordingly do not revert to market as part of the current assessment.*

The above marginal rent assumption is adopted for the entire subject development. In addition to undertaking an in-depth market analysis, a detailed analysis of the rent rolls was also undertaken to understand aspects such as area occupied, current rent and expiry analysis of the key tenants in the park. Additionally, we have also analysed the historical occupancy pattern at the subject development and lease-up time frame for spaces being vacated by tenants during the last 3 years. The lease-up time on an average was observed to be 1- 3 months based on quantum of space being renewed/ re-leased.

6.4.5.1.2 Retail Component

For the purpose of this appraisal exercise, the lease rent adopted for the retail area already leased in Block 2 and 5 is based on the rent roll/lease deeds shared by the Client. Further, as per the information provided by the Client, it is understood that a retail space measuring 89,588 sf is envisaged as part of Parcel 8 in the under-construction development. The retail space will operate as ancillary retail, providing convenience to the working population in the subject development as well as surrounding development. The Consultants have undertaken an in-depth market research exercise to assess the prevailing rent values in the subject sub market. The same has been adopted for the vacant space for the purpose of this valuation exercise.

It has been observed that rent for retail spaces for similar developments (office space with ancillary retail) across Bengaluru command premium over office space rent, on account of better visibility (presence on lower floors) and better finishes as compared to the office spaces. Given the above, we have assumed marginal rent in the range of **INR 116.0 to 120.0 psf pm (say INR 118.0 psf pm)** as on date of valuation.

6.4.5.2 Rent Escalation

Based on an analysis of existing lease rolls and recent leasing at the subject property, it was observed that the typical escalation clause in the subject property is approx. 15.0% after every three years, which is in-line with the trend observed in the market. The same has been adopted for the vacant area and renewals at the subject property.

6.4.5.3 Fit-out Rent

As per the information (rent roll) provided by the Client, we understand that in addition to the lease rent, there is rent towards fit-outs for few of the tenants. The rent is in the range of INR 28.0 to 45.0 psf pm. For the purpose of this valuation, we have adopted the tenant wise fit-out details as provided in the rent roll.

Moreover, for the under-construction/proposed blocks, we have assumed that the development would be leased on warm shell specifications with no applicable fit-out rent on any lease.

6.4.5.4 Parking Assumptions

Based on the prevailing car parking rate in the subject development and Outer Ring Road sub market, we have assumed a car park charge of INR 6,000 per month per bay, with 25.0% of car parks allocated free of cost to a tenant. Effective car parking charges adopted for the purpose of this valuation is INR 4,500 per month per bay.

6.4.5.5 *Other Revenues*

In addition to lease rent revenues, office assets typically have additional sources of revenue. These include revenues on account of security deposit (refunded at the time of lease expiry / exit), other miscellaneous income (such as cell sites, retail areas, food court, etc.), etc.

The assumptions considered for the aforementioned revenue heads for the purpose of this valuation exercise are based on the rent roll & lease deeds provided by the Client. The same has been cross-checked with the prevailing market norms for other revenues and were found to be broadly in line.

The assumptions adopted for other revenues are as tabulated below:

Nature of Income	Details	Units
Miscellaneous Income (Income from cell sites)	1.02% (INR 51.7 mn)	% of gross rental income
Warm shell Security Deposit*	6 months	No. of months' warm shell rental
Parking Income (For vacant and UC development) ^	INR 4,500	INR per car park per month

*Source: Client's Inputs & Consultants' assessment; * Refunded at the time of lease expiry/ exit; ^assumed at INR 6,000 per bay per month, with 25.0% free car parks*

6.4.6 Revenue Assumptions - Hotel

6.4.6.1 ARR and Occupancy Assumptions

A prominent growth corridor in the recent past, Sarjapur Outer Ring Road is a part of the designated IT corridor planned by the government as a self-contained enclave between Electronic city and ITPL. This stretch of the ring road enjoys excellent stability with the southern as well as the eastern fringes of the city, and hence has emerged as a prominent and one of the most preferred growth corridors in the city.

Primary occupancy drivers across categories for hotels located in SORR include corporate/business travellers visiting the commercial catchment for short stay and long stay options. Limited leisure pass through is witnessed in the region.

As per the information provided by the Client, we understand that there are two hotels (viz. 5 Star and 3 Star positioning – with management contracts in place with the Hilton Group for Hilton at Embassy TechVillage and Hilton Garden Inn - HGI at Embassy TechVillage) proposed to be developed at the subject property.

The area details of the proposed hotels are mentioned in the table below:

Components	No of Keys	Under-construction area* (in sf)
Hotels	518	729,445
Convention Centre	NA	53,224
Total	**518**	**782,669**

Source: Client inputs, Architect Certificate. The total inventory for hotels is 518 key, out of which 5 Star hotel will have 311 keys and 3 Star hotel will 207 keys.

The existing upscale hotels that are operational in the subject micro market i.e. Outer Ring Road vector of Bengaluru have achieved ARRs in the range of INR 7,000– 9,000 per room per night and occupancies in the range of 65.0-75.0%. Similarly, mid-scale business hotels that are operational in vicinity of the subject property have achieved ARRs in the range of INR 4,000 – 6,000 per room per night and occupancies in the range of 65.0-75.0% (The performance of up-scale and mid-scale hotels highlighted above are for FY 2019-20 excluding March 2020).

Given the positioning & location of the subject development, performance of competing hotels in the subject sub market and development mix (part of a larger commercial development) etc., it is opined that ARRs for hotel component in the subject development would range from **INR 7,500 – INR 8,500 per room night (viz. approx. INR 8,000 per room night)** for the 5 Star hotel and **INR 5,000 – INR 6,000 per room night (viz. approx. INR 5,500 per room night)** for the 3 Star hotel. Further, considering the captive catchment for the subject hotels within the subject property and potential demand from other commercial developments within the micro-market, the stabilized occupancy for the subject development is opined to be 73.0%, 2.5 years from the year of operation commencement.

6.4.6.2 Other Revenues

The other revenue assumptions for the hotel component proposed at the subject development have been enumerated in the table below:

Particulars	Unit	5 Star	3 Star
Food & Beverage Revenue	(% of Room Revenue)	100.0%*	40.0%
MOD Revenue	(% of Room Revenue)	15.0%	15.0%
Other Revenue	(% of Room Revenue)	5.0%	5.0%

**Note: higher income considered to factor income generated by convention space as the same would be managed by the hotel.*

6.4.6.3 Operating Cost

The following operating costs have been considered based on benchmarks available in the markets on various heads to arrive at the net cash flows for the purpose of this valuation exercise:

Expense Head	5 Star	3 Star
Room Costs (as a % of room revenue)	15%	15%
F&B costs (as a % of F&B revenue)	45%	45%
MOD Costs (as a % of MOD revenues)	50%	50%

Expense Head	5 Star	3 Star
Administrative expenses (as a % of total revenue)	6.0%	6.0%
Maintenance expenses (as a % of total revenue)	5.0%	5.0%
Operating Expenses (as a % of total revenue)	11.0%	11.0%
Marketing costs (as a % of total revenue)	5.0%	5.0%
Base management Fee (as a % of total revenue)	Ref 1	Ref 1
Management Incentive Fee (% of GOP)	Ref 2	Ref 2
Annual Escalation of Operating Costs (viz. admin, maintenance, Op-ex)	5.0%	5.0%

Source: Consultants' assessment & Client input; Ref 1 - Base Management Fee: 1.25% for year 1 & 2, 1.50% for year 3 & 4, 1.75% for year 5 & 6 and 1.90% thereafter; Ref 2 – Management incentive Fee: For GOP 30 – 35% = 4.50%, GOP 35 – 40% = 5.00%, GOP > 40% = 5.5%.

6.4.7 Expense Assumptions

6.4.7.1 Development Cost

The following table highlights the assumptions towards the development cost for the under-construction/proposed blocks at the subject development:

Block	Cost of Construction (INR psf /INR Mn Key)	Total Cost of Construction (INR Mn)	Pending Cost to be Spent (INR Mn)
Parcel 8 – Block ABC – Office	4,011	5,195.69	5,003.75
Parcel 8 – Block D – Office	4,071	2,215.31	2,126.88
Parcel 8 – Retail	6,018	539.15	518.89
Parcel 8 – Hotel 5 star	13.62/Key	4,235.09	4,119.31*
Parcel 8 – Hotel 3 star	9.67/Key	2,002.20	1,947.47
Parcel 8 – Convention Centre	11,256	599.11	582.74
Block 9 – JPM Pre-lease/BTS	4,609	5,097.19	2,859.30

Source: Client's input; not inclusive of INR 8.32 Mn to be incurred as technical fees for hotel component

6.4.7.2 Major Repair and Improvements

The following table highlights the assumptions towards the refurbishment/upgradation expenses in the subject development:

Expense Head	Total Pending Cost (INR Mn)	Quarter of Completion
Infrastructure Expenses	1,634.19	Q3, FY 2021 – Q1, FY 2026

Source Client Input; Consultants' assessment

6.4.7.3 Information pertaining to Land Leased by VTPL to SIPL

As per the lease agreement and information provided by the Client, land area of (approx. 4 acres) has been leased by Vikas Telecom Private Limited ("VTPL") to Sarla Infrastructure Private Limited ("SIPL") for a lease tenure of 40 years (the lease has initially been signed for 20 years and can be renewed for an additional term of 20 years), wherein SIPL pays an annual lease payment of INR 93.6 Mn to VTPL, subject to 15% escalation every 3 years. In addition, we understand that a refundable security deposit of INR 46.8 Mn has been paid by SIPL to VTPL for the land lease.

The land area mentioned above is being utilised for a build to suit (BTS) development of 1.1 Mn sf pre committed to JP Morgan under an agreement signed between JP Morgan, VTPL and SIPL.

Further, the net present value of the land lease for the above mentioned period will be added to the asset value under the ownership of VTPL and deducted from the asset value under the ownership of SIPL. The same will get netted off while arrive at the total value of the subject property.

6.4.7.4 Rental Support and Rental Guarantee for Block 9 – JPM Pre-lease/BTS

As per information provided by the Client, it is understood that the seller will provide rental support and rental guarantee for Block 9 – JPM Pre-lease/BTS from the proposed date of acquisition to date of rent commencement. It is understood that a total of INR 1,441 Mn will be provided as rental support and rental guarantee and the said amount will be maintained in an Escrow account and will be made available to Embassy REIT on a quarterly basis in equal instalments. This is based on representation made to us relating to contractual arrangements proposed to be in effect between the Sellers and the Client at the date of acquisition. While the entire 1,105,286 sf of leasable area of SIPL is already pre-leased, the property is currently under construction. Given the Embassy REIT proposes to acquire this property similar to a rent-generating asset, the Sellers have also agreed to provide rental support to SIPL of INR 1,441 Mn from the proposed date of acquisition until the rent commencement date.

Considering the low risk profile of this cash flow, the same has been discounted by a rate of return equivalent to long-term bulk security deposit. Cash flows from rental support and rental guarantee have been added to the project cash flows as a below the NOI line item. The NPV of the above cash flow as on date of valuation is INR 1,370 Mn.

6.4.7.5 Operating Cost

In addition to capital expenditure, a development typically has few recurring operational expenses required for the up-keep and running of the development. Based on information provided by the Client and market assessment, following recurring expense assumptions have been adopted for the purpose of this valuation exercise (applicable to both completed and under construction blocks):

Nature of Expense	Details	Basis
Insurance, Legal and other professional charges	0.10%	% of gross rental income
Property Tax	5.54% (except Block 9 – JPM Pre-lease/BTS) 4.50% (for Block 9 – JPM Pre-lease/BTS)	% of gross rental income
Repair and Maintenance Reserve	1.0%	% of gross rental income
Asset management Fee*	3.0%	% of total income
Transaction cost on Exit	1.0%	% of terminal value

*Source: Client Input; Consultants' assessment; * Asset Management fees has been considered a below the NOI line item;*

6.4.8 Other Assumptions

6.4.8.1 Vacancy provision

Based on the prevailing market benchmarks, a vacancy provision of 2.5% has been adopted upon assessment of terminal value

6.4.8.2 Revenue escalation

Based on prevailing market condition, historical rent growth achieved by the subject property, rental growth witnessed in the subject micro-market and our interactions with market participants, Valuer is of the option that the annual marginal rent growth for the subject property will be 2.5% till Q1, CY 2021 and then stabilize at of 5.0% going forward.

6.4.8.3 Rent – free period

Based on the trend prevalent in the subject sub market, we have considered a rent free period of 3 months for the subject property from the lease commencement date (for future / new leases)

6.4.8.4 Brokerage

Based on prevalent market dynamics, we have considered brokerage equivalent to 2 months of rental income for future / new leases

6.4.9 Capitalization Rates

As highlighted in section 4.1, the cap rate adopted for the office spaces is 8%. Further, an EV/ EBITDA multiple of 14 has been adopted for the hotel component.

6.4.10 Discount Rate

For discounting the cash flows, the appropriate discounting rate has been calculated on the basis of estimated ‘Weighted Average Cost of Capital’ (WACC). The detailed analysis of WACC rate adopted for the subject property has been detailed in Section 4.2 of this report.

6.5 Value of the Subject Property

Based on the above-mentioned analysis, the value of the subject property is estimated as follows:

Component	Area (sf)[1]	Market Value (INR Mn)	% Share
Completed Area - ETV	6,137,842	77,159	75.4%
Under Construction Area – ETV[2]	1,929,304	13,752	13.5%
Under Construction Area – Sarla[3]	1,105,286	11,381[4]	11.1%
Total	9,172,432	102,292	100.0%

1. *The area included under the purview of this exercise is restricted to the blocks highlighted in the brief description of this valuation certificate.*
2. *Area exclusive of developable area of 782,669 sf corresponding to under-construction hotels and convention center. Value inclusive of value corresponding to under-construction hotels and convention center*
3. *Sarla refers to SIPL (Sarla Infrastructure Private Limited) – the entity undertaking construction of Block 9 – JPM Pre-lease/BTS. Based on a specific instruction from the Client, we have been requested to provide the valuation of the property with the benefit of the proposed rental support and rental guarantee.*
4. *Value highlighted is representative of the market value of Block 9 – JPM Pre-lease/BTS (viz. INR 10,011 Mn) and additionally includes the net present value of the rental support and rental guarantee to Embassy REIT of INR 1,370 Mn for (undiscounted value of INR 1,441 Mn to be received over a period of time as indicated below). This is based on representation made to us relating to contractual arrangements proposed to be in effect between the Sellers and the Client at the date of acquisition. While the entire 1,105,286 sf of leasable area of SIPL is already pre-leased, the property is currently under construction. Given the Embassy REIT proposes to acquire this property similar to a rent-generating asset, the Sellers have also agreed to provide rental support to SIPL of INR 1,441 Mn from the proposed date of acquisition until the rent commencement date.*

7 Exhibits and Addendums

7.1 Other Mandatory Disclosures

7.1.1 Details of Material Litigations:

As per information provided by the Client, we understand that there are no material legal proceedings/litigation pending against VTPL & SIPL. Further, please refer the Title report for detail of the same.

7.1.2 Details of options or rights of pre-emption and other encumbrances:

As per information provided by the Client, there are no options or rights of pre-emption for the subject property.

For other encumbrances please refer below:

SIPL - All tangible, personal and movable assets of SIPL have been Encumbered in favour of KKR and IDBI Trusteeship Services Limited (as security trustee for KKR) pursuant to the KKR Financing Facilities. Details of such Encumbrances are set out below:

- KKR Financing Facility for INR 3,000 Mn:
    - Mortgage: Under a facility agreement dated February 6, 2019 executed by and among EPDPL, SIPL and KKR India Asset Finance Private Limited in relation to the facility of Rs.3,000,000,000 and the memorandum of deposit of title deeds dated February 6, 2019 executed pursuant thereto by and between SIPL and IDBI, mortgage has been created on freehold land in all admeasuring 3 acres 27 guntas and leasehold land in all measuring 4 acres and 13 guntas located in Devarabesanahalli Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru District. Pursuant to facility agreement dated February 6, 2019 executed by and among EPDPL, SIPL and KKR India Asset Finance Private Limited in relation to the facility of Rs.3,000,000,000 and the memorandum of deposit of title deeds dated March 28, 2019 executed by and between SIPL and IDBI, pursuant thereto, mortgage has been created on land admeasuring 13 guntas situated in Devarabesanahalli Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru District.
    - Hypothecation: Pursuant to the deed of hypothecation dated February 6, 2019 executed by and between SIPL and IDBI, a first ranking and exclusive charge on all movable assets of SIPL including receivables, compensation proceeds, insurance contracts, insurance proceeds, accounts including escrow accounts etc. in relation to the project i.e. 1.11 million sq. ft. constructed area of built-to-suit offices and proportionate number of car parks

- KKR and SBI Financing Facility for INR 4,250 Mn:
  - Mortgage: Under a facility agreement dated May 13, 2019 among EPDPL, SIPL and KKR and related documents in relation to the facility of Rs.4,250,000,000 and the memorandum of deposit of title deeds dated May 13, 2019 executed by and between SIPL and IDBI, mortgage has been created on freehold land admeasuring 3 acres 27 guntas, 13 guntas and on leasehold land admeasuring 4 acres situated in Devarabesanahalli Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru District.
  - Hypothecation: Pursuant to a facility agreement dated May 13, 2019 among EPDPL, SIPL and KKR and related documents in relation to the facility of Rs.4,250,000,000 and the deed of hypothecation dated May 13, 2019 executed by and between SIPL and IDBI, a pari passu charge on all movable assets of SIPL including receivables, compensation proceeds, insurance contracts, insurance proceeds, accounts including escrow accounts etc. in relation to the project i.e. 1.11 million sq. ft. constructed area of built-to-suit offices and proportionate number of car parks

KKR downsold Rs. 400 crore to State Bank of India (SBI) on 29th June 2020

- Hypothecation: Pursuant to a Second amendment to facility agreement dated June 29, 2020 among EPDPL, SIPL, SBI and KKR and related documents in relation to the facility of Rs.4,250,000,000 and the deed of hypothecation dated June 29, 2020 executed by and between SIPL and IDBI, a pari passu charge on all movable assets of SIPL including receivables, compensation proceeds, insurance contracts, insurance proceeds, accounts including escrow accounts etc. in relation to the project i.e. 1.11 million sq. ft. constructed area of built-to-suit offices and proportionate number of car parks
- Mortgage: Under a second amendment to facility agreement dated June 29, 2020 among EPDPL, SIPL, SBI and KKR and related documents in relation to the facility of Rs.4,250,000,000 and the memorandum of deposit of title deeds dated June 29, 2020 executed by and between SIPL and IDBI, mortgage has been created on freehold land admeasuring 3 acres 27 guntas, 13 guntas and on leasehold land admeasuring 4 acres situated in Devarabesanahalli Village, Varthur Hobli, Bengaluru East Taluk, Bengaluru District.

VTPL - The VTPL Land is subject to the following Encumbrances:

- Pursuant to the master facility agreement dated May 31, 2018 executed between VTPL and HDFC Limited for a loan amount of Rs. 4,850,000,000 availed by VTPL read with the memorandum of deposit of title deeds dated May 31, 2018, Block 1A and the proportionate underlying land are mortgaged in favour of IDBI Trusteeship Services Limited (security trustee for HDFC Limited);

- Pursuant to the master facility agreement dated September 26, 2018 executed between VTPL and HDFC Limited for a loan amount of Rs. 7,650,000,000 availed by VTPL read with the memorandum of deposit of title deeds dated September 26, 2018, Block 7B, the multi-level car park and the proportionate underlying land are mortgaged in favour of IDBI Trusteeship Services Limited (security trustee for HDFC Limited)

- Pursuant to the master facility agreement dated March 10, 2017 executed between VTPL and HDFC Limited for a loan amount of Rs. 9,700,000,000 availed by VTPL read with the memorandum of deposit of title deeds dated March 13, 2017, Blocks 5A, 5B, 5C, 5D, 5E, 5F, 5G, 5H, 5I, 5J, 5K and 5L of parcel 5 of ETV and the proportionate underlying land are mortgaged in favour of IDBI Trusteeship Services Limited (security trustee for HDFC Limited)

- Pursuant to the master facility agreement dated December 1, 2017 executed between VTPL and HDFC Limited for a loan amount of Rs. 3,750,000,000 availed by VTPL read with the memoranda of deposit of title deeds dated November 27, 2017, (a) a portion of parcel 8 (erstwhile Block 7A) and the proportionate underlying land admeasuring 4.9142 acres are mortgaged in favour of IDBI Trusteeship Services Limited (security trustee for HDFC Limited); and (b) mortgage over Block 7B, the multi-level car park and the proportionate underlying land are extended in favour of IDBI Trusteeship Services Limited (security trustee for HDFC Limited) and

- Pursuant to the master general terms agreements (a) dated June 18, 2019 executed between VTPL and IndusInd Bank Limited; and (b) a novation cum accession agreement dated August 28, 2019 executed between South Indian Bank Limited, VTPL, IDBI Trusteeship Services Limited, IndusInd Bank Limited, the Company and EPDPL read with the memorandum of deposit of title deeds dated August 1, 2019, Tower 2A in Western Tower and 2A Eastern Tower, 2B, 2C and 2D of ETV and the proportionate underlying land are mortgaged in favour of IDBI Trusteeship Services Limited (security trustee for the lenders mentioned herein)

- Pursuant to deed of hypothecation dated June 18, 2019 executed for loan of Rs. 1625,00,00,000, charge is created as follows:

    - First and exclusive charge over the Receivables, present and future in relation to Project "2A West Wing, 2A East Wing, 2B, 2C and 2D;"

- First and exclusive charge, lien and right of set-off over the Accounts, including Escrow Accounts and DSRA Accounts (defined under the deed of hypothecation); and
- First and exclusive charge over the Project Assets, project documents and benefit of project documents (defined under the deed of hypothecation).

7.1.3 Details of Revenue Pendencies:

As per information provided by the Client, there are no material revenues pendencies for the subject property.

7.2 Site Plans

7.3 One-time Sanctions & Periodic Clearances

For any information on One-time Sanctions and Periodic Clearances refer to the section 6.1.4.1 of this report.