



*Valuation Report
Jones Lang LaSalle*

Opinion on Market Value of 'Imperium' located In Andheri (East), Mumbai, Maharashtra, India.

For:

hBits Proptech Private Limited

By:

Jones Lang LaSalle Property Consultants (India) Private Limited
Tower A, 15th Floor, ONE BKC, Bandra Kurla Complex, Mumbai - 400 051

Dated:

27th October, 2021



Report for

Opinion on Market Value of 'Imperium' located In Andheri (East), Mumbai, Maharashtra, India.

Submitted to

hBits PropTech Pvt Ltd

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Glossary

List of Abbreviations	
ft.	Feet
In.	Inch
Km	Kilometre
INR	Indian Rupees
m	Meter
yd.	yard
sq. ft.	Square Feet
sq. m.	Square Meter
sq. yd.	Square Yard

Unit Conversions	
1 Hectare	2.4711 acres
1 Acre	43,560 sq. ft.
1 Acre	4,046.9 sq. m.
1 Acre	4,840 sq. yd.
1 sq. km	247.11 acres
1 sq. m.	1.196 sq. yd.
1 sq. m.	10.764 sq. ft.
1 meter	1.0936 yd.
1 meter	3.28 ft.

Covering Letter

October 27th, 2021

hBits PropTech Private Limited

Dear Sir/Madam,

This has reference to your instructions to provide Opinion on Market Value of 'Imperium' located In Andheri (East), Mumbai, Maharashtra, India. 400069 (hereinafter referred to as the 'Subject Site') vide Work Order dated October 22, 2021, signed hBits PropTech Pvt Ltd (hereinafter referred to as 'Client') and us. All information pertaining to the Subject Site and other information disclosure under this report are provided by the Company.

We are pleased to submit herewith the Valuation Report containing our opinion on Market Value of the Subject Site. Our opinion on Market Value is as on October 22, 2021. The table below summarizes the details of the Subject Site valued.

Location Attributes	
Property Address	Imperium, Marol Maroshi Road, Andheri East, Mumbai 400059
Nature of the Assignment	Opinion on Market Value
Purpose	For use by the Client
Details of Assessed Property	
Total Area	Chargeable area admeasuring approx. 17,422 sq.ft. * <i>* As per information provided by the client</i>
Access	15 m wide Marol Maroshi Road, Andheri East
Shape	Regular in shape. Relatively flat terrain. Direct visibility from Marol Maroshi Road
Approval Status	Building complete and in use
Infrastructure	
Water Supply	Available
Power	Available
Telecommunication	Available
Legal Issues	
Title / Owner	As indicated by the Company, the Subject Site is Freehold and has a clear and marketable title. However, the detailed legal due diligence report (if any) would need to be referred to for ascertaining more details related to title of the Subject Site.
Disputes	As indicated by the Company, the Subject Site is clear of any legal disputes. However, the legal due diligence report (if any) prepared by the relevant agency may be referred to for more authentic information on this aspect.
Planning Jurisdiction	MCGM
Usage / Zone	Commercial

Applicable Development Controls & Regulation	The Subject Site falls under the Municipal Corporation of Greater Mumbai Jurisdiction as per the DP 2034. Local statutory authority Municipal Corporation of Greater Mumbai (MCGM)
Valuation	
Date of Valuation	October 27, 2021
Done by	Jones Lang LaSalle Property Consultants (India) Private Limited
Done for	hBits Proptech Pvt Ltd
Currency	Indian National Rupees (INR)

With all the assumptions as mentioned, we are of opinion that the Market Value (MV) of building Imperium, Marol Maroshi Road, Andheri East, Mumbai 400059 admeasuring **approx. 17,422 Sq.ft. of Leasable Area**. (Referred to as the subject property), as on 27th October 2021, is estimated to be as **INR 182,000,000 /- (Indian Rupees One Hundred Eighty Two Million only)**

Thanking you,

For and on behalf of Jones Lang LaSalle Property Consultants India Private Limited



Girish K. S. MRICS
Head
Strategic Consulting

**Rounded off*

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1.0 The Assignment

1.1 Introduction

hBits Proptech Pvt Ltd (hereinafter referred to as 'Client') has commissioned Jones Lang LaSalle Property Consultants (India) Pvt. Ltd. (Hereinafter referred to as 'Consultant' or 'Jones Lang LaSalle') to provide opinion on Market Value of a property admeasuring 17,422 sq.ft of Leasable area at Imperium, Marol, Andheri East, Mumbai, Maharashtra, 400069

All information pertaining to the properties like land extent, title, ownership, existing/proposed development mix, built-up area / leasable area, capital expenditure incurred for ongoing construction activities, revenue received including agreement value and other information disclosure under this report are provided by the Company.

JLL is one of India's leading international property consultants, specializes in providing real estate advice to corporates and institutions, offer full line of real estate services, i.e., Consulting, Research, Agency, Valuation, Project Management, Facilities Management, Property Maintenance & Investment Consultancy.

1.2 Opinion on Market Value Assumptions

In preparing the opinion on Market Value report, the following assumptions have been made:

1. JLL is under no duty to verify that all information provided to JLL by the Client and/or Company and/or any other named party, upon which JLL will rely, is complete and correct.
2. JLL has compared other comparable properties on the basis of many factors and as far as possible tried to remove / account for the differences in type, location and quality of the properties.
3. JLL has taken into consideration the general conditions in the market with respect to broad demand and supply while carrying out the valuation analysis using land and building approach. JLL has relied on information provided by client for extent of land, area statement and structural details including built-up area / FSI area for the subject site. JLL has relied on the information provided by the client and JLL is under no duty to verify the details provided while the same has been utilized for offering this opinion on Market Value.
4. JLL has not looked into the legal aspects of the subject site. Unless JLL is informed or otherwise, the opinion on Market Value presumes that the Project Site complies with all relevant statutory requirements and there are no statutory or other notices served on the property.
5. The opinion on Market Value of the subject site assumes land title on 'Freehold' basis.
6. JLL has not carried out any structural survey nor tested the building services. No geographical or geo-physical survey was carried out. No environmental assessment has been carried out.
7. JLL has relied on the measurements and information provided at all times, whether from public and private sources, and has ensured to the best of their ability the correctness and the validity of the same, by cross checking from various sources. Whilst every effort has been taken to provide authentic data and analysis, JLL, and/or any of their associated companies and/or their employees are not responsible for any

loss, major or minor incurred on the basis of the information and analyses provided, nor are liable to any damages in any form or shape.

8. In case on any inconsistency in the terms contained within this document, terms underlined in the EL will prevail.

1.3 Limitations to the Assignment

Following are the major aspects that are not part of the scope of work for this assignment of opinion on Market Value:

- a. Type of Valuation: This opinion of Market Value of the subject site is a real estate valuation of a specified property and not a business valuation for either the Client or promoter or any of their subsidiaries or associated companies, etc.
- b. Legal Due Diligence: Legal due diligence for establishing clarity of title, ownership, encumbrances if any, notices or disputes if any, among other legal-related issues are not part of scope of work for this assignment. In all likelihood, an independent legal agency shall be covering this aspect, details of which can be obtained from the Client separately.
- c. Auditing of Project Figures: This opinion on Market Value of the Project Site does not account for any capital expenses incurred by the Company and/or Promoters on the existing and/or ongoing development works in the Project Site. Auditing the project figures is not part of the scope of work under this assignment. In all likelihood, an independent auditing agency would be covering this aspect, details of which can be obtained from the Company separately.
- d. Disclaimer: Given the confidential nature of real estate transactions, transaction details for most properties, which are privately actually transacted, are not in the public domain. Consequently, there is reliance on information from market sources, which may not be completely accurate. Thus, information has been crosschecked independently from other market sources to ascertain the broad credibility of information being provided by the market sources. This assignment has been done on best effort and knowledge basis.
- e. Engagement Documents: **“The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended users of this report regularly seek our guidance.”**
- f. Material Uncertainty: **“The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. We consider previous market evidence may not reflect current market conditions for comparison purposes, to inform opinions of value. Indeed, the current response to COVID -19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our opinion on market value/valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’. As there is no**

local recommendation, we refer to VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.

- g. **“The outbreak of the Novel Coronavirus (COVID-19) was declared a “Global Pandemic” by the World Health Organization on the 11th March 2020. This has impacted global financial markets and travel restrictions have been implemented by many countries, including India where a number of cities and districts have been sent to a state of lockdown. Market activity is being affected in many sectors, and, we have, subsequently, introduced material uncertainty provisions into our valuation reports. We are unable to provide a specific estimate of the financial effect that this event would have on the value estimate of the subject property. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the subject property under frequent review, and understand that the value could have changed since the valuation date.”**

1.4 Exclusions

- a. Consultant will not physically measure the actual Property or verify the floor areas provided to Consultant, although Consultant will make reference to the Registered Floor Plans if available. Consultant will not measure the subject property. In case the Client desires that physical measurement surveys be undertaken for the subject property including the built structures thereon, Client will commission these surveys separately and directly through a specialist agency and fees for these surveys will be in addition to the **Consultant’s professional fee indicated within this agreement.**
- b. Consultant will undertake inspection of the property but these inspections shall not be construed as investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be put. Consultant will not undertake site inspections for **the purposes of providing archaeological, ecological or environmental surveys. Consultant’s opinion of Market Value** will be prepared on the assumption that these aspects are satisfactory and that where development is contemplated, no extraordinary expense or delays will be incurred during the construction period due to these matters.
- c. **Consultant’s site surveys will not include** environmental assessments or an investigation of historical records to establish whether any land or premises are or have been contaminated. Therefore, unless **advised to the contrary, Consultant’s opinion of Market Value will be carried out on the basis** that property is not affected by environmental contamination.
- d. Consultant will not carry out structural surveys, and will, therefore, not give any assurances that property is **free from defect. Consultant’s inspections will not give consideration to anything** other than readily apparent defects or items of obvious disrepair. Consultant will not provide details as to costs of repair. The consultant will use qualitative assessment of the buildings just based on visual inspection and no structural stability analysis will be carried out
- e. **Consultant’s investigations on site will not include ascertaining whether any building is constructed or** altered using deleterious materials or techniques (including, by way of example, high alumina cement concrete and wood wool as permanent shuttering, calcium chloride or asbestos). Unless Consultant is

otherwise informed, Consultant's opinion of Market Value will be on the basis that no such materials or techniques have been used.

- f. Outstanding Debts – In the case of property where construction works are in hand or have recently been completed, Consultant does not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.
- g. Disposal of Costs & Liabilities – Consultant will not make any allowances for any expenses of realization, or taxation, which might arise in the event of a disposal. All property is considered free and clear of all mortgages or other charges.
- h. Opinion of Market Value indicated in the report(s) for the subject properties development will apply only in the terms of and for the purpose of the report(s). Opinion of Market Value indicated should not be used in conjunction with any other assessment, as they may prove incorrect if so used.

1.5 Disclosure

Jones Lang LaSalle does not have any involvement or interest in the properties. We would add that our evaluation would be prepared independently without prejudice to any of the parties concerned. Jones Lang LaSalle would not conduct distress sale value

JLL will undertake the assignment in our capacity as “independent consultants” and would like to confirm that the evaluation will be carried out by the Strategic Consulting Team of JLL.

We understand that upon formal confirmation of instruction to proceed with our services, detailed property specific **information including copies of title documents or verification of ownership by the Client's legal team**, other relevant property information etc., for the property interests can be made available, including inspection of the assets.

We would like to emphasize that our findings and conclusions would have to rely on information available to us and information accessible in the public domain. We would have to make our professional and reasonable assumptions where appropriate, to arrive at our conclusions.

1.6 Disclaimer and Professional Indemnity

JLL has relied upon the property data supplied by the Client and/or Company, which are assumed to be true and accurate. JLL takes no responsibility for inaccurate data supplied by the Client and/or Company and subsequent conclusions related to such data. No representation, warranty or covenant, express or implied, is made by us, our directors, employees, affiliates, representatives as to the accuracy or completeness of the information contained herein, and nothing in this valuation report is, or shall be relied upon as, a promise, representation or covenant by JLL, its directors, employees, affiliates, representatives shall not be liable (except to the extent that liability under statute or by operation of law cannot be excluded) to any person for any loss, liability, damage or expense arising from or connected in any way with any use of or reliance on such information.

JLL has prepared this report solely for the purpose of providing information to potential investors or any other interested person. However, this report does not purport to contain all the information that a potential investor or any other interested party may require. It does not take into account the individual circumstances, financial

situation, investment objectives or requirements of a potential investor or any other person. It is intended to be used as a guide only and does not constitute advice, including without limitation, investment, legal, tax and financial or any other type of advice. JLL, its directors, employees, affiliates, representatives shall not be liable to any potential investors and/or interested parties for any loss, liability, direct & indirect damage or expense arising from or connected in any way with any use of or reliance on such information contained in the Valuation Report.

No representation, warranty or covenant, express or implied, is made by us, our directors, employees, affiliates, representatives as to the accuracy or completeness of the information contained herein, and nothing in this valuation report is, or shall be relied upon as, a promise, representation or covenant by us. JLL, its directors, employees, affiliates, representatives shall not be liable (except to the extent that liability under statute or by operation of law cannot be excluded) to any person for any loss, liability, damage or expense arising from or connected in any way with any use of or reliance on such information.

Liability of JLL for this exercise is limited in respect of any one or series of events to the actual loss or damage sustained shall be as per the agreement mutually signed by both the Client and JLL. In no event, JLL shall be held responsible or liable for indirect or consequential damages whether arising from indirect or consequential damages.

2.0 Project Site Analysis

2.1 Details of the Project Site

Figure 2.1: Pictures of Subject Property



Source: JLL.co.in

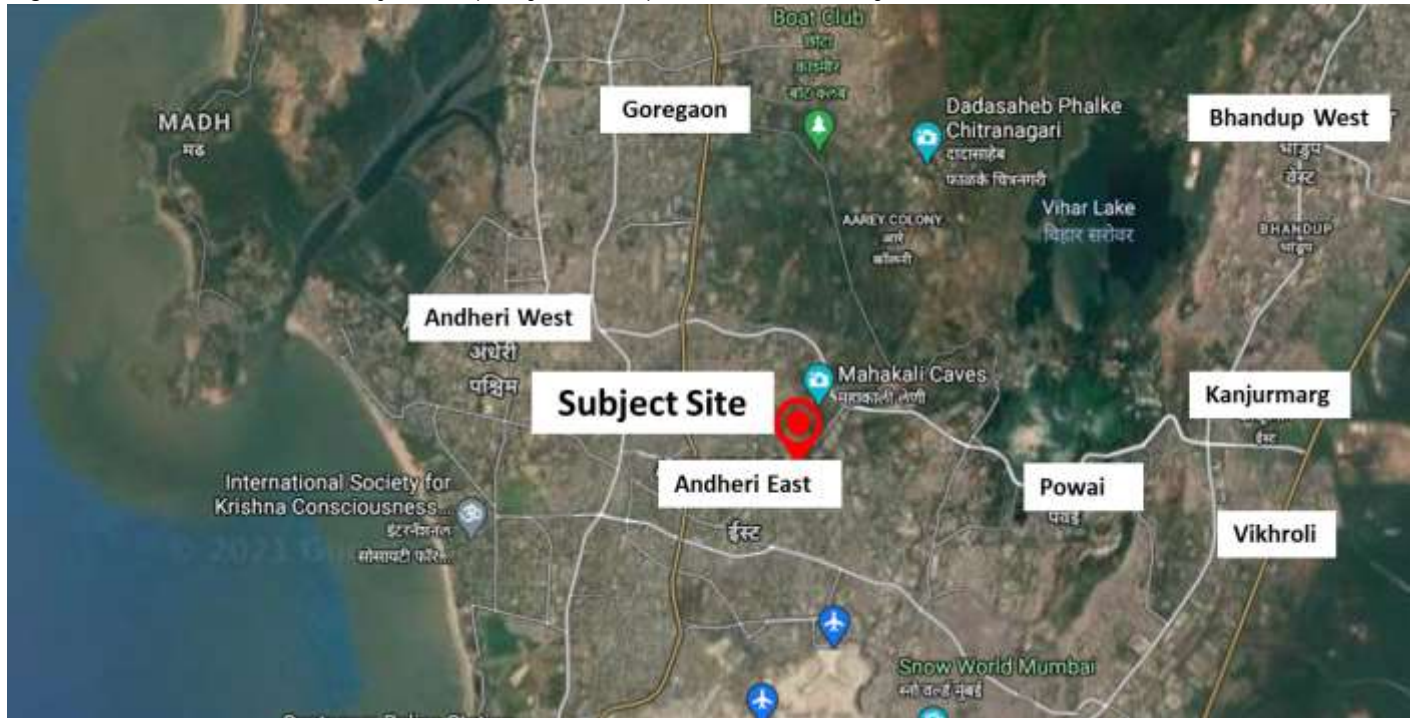
Table 2.1: Details of Subject Property

Location Attributes	
Property Address	Imperium, Marol Maroshi Road, Andheri East, Mumbai 400059
Nature of the Assignment	Opinion on Market Value
Purpose	For use by the Client
Details of Assessed Property	
Total Area	Chargeable area admeasuring approx. 17,422 sq.ft. * * As per information provided by the client
Access	15 m wide Marol Maroshi Road, Andheri East
Shape	Regular in shape. Relatively flat terrain. Direct visibility from Marol Maroshi Road
Approval Status	Building complete and in use
Infrastructure	
Water Supply	Available

Power	Available
Telecommunication	Available

2.2 Location of the Project Site

Figure 2.2: Location of the Subject Property with respect to Mumbai City:



Source: Google Earth Overlay

The Subject Site is located in Andheri, (East), Mumbai. Andheri East belongs to the Western Suburbs of the City of Mumbai and is located within the limits of Municipal Corporation of Greater Mumbai (MCGM).

Figure 2.3: Satellite Imagery of Subject Property:



Source: Google Earth Overlay | 19.12306, 72.87973

The Subject Site is located in Andheri(East), Mumbai. Andheri East belongs to the Western Suburbs of the City of Mumbai. The site is located at a distance of approx. 3 kilometers from the Andheri Railway station and approx. 4.3 kilometers from the Jogeshwari Railway station on the Western line. The Western Expressway is located at a distance of approx. 1.5 kilometers from the site, which connects it to the entire Mumbai city. The site located a distance approx. 4 kilometers from the Chhatrapati Shivaji International Airport.

2.3 Description of the Subject Property:

Subject site neighborhood comprises of both new and old residential developments, commercial developments.

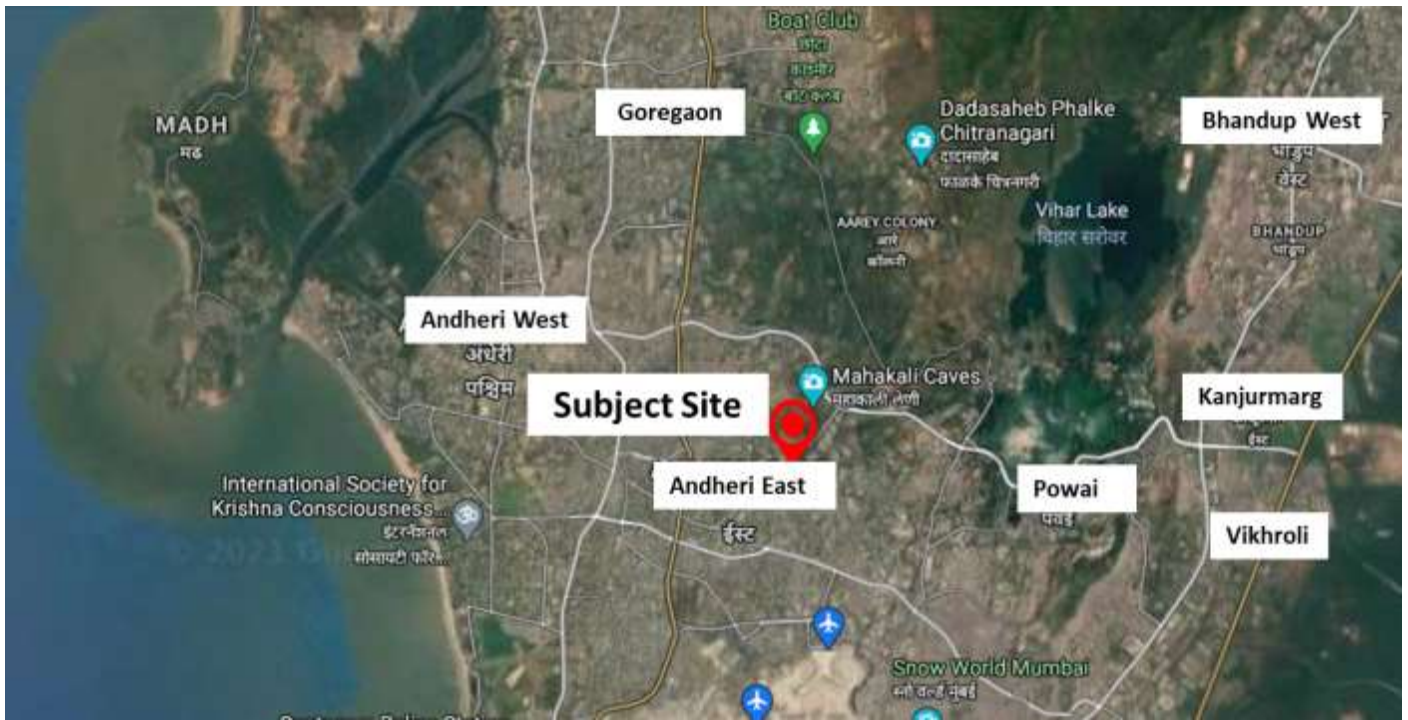


Figure 2.4: Location of Subject Site and its Surrounding Developments

Source: GoogleEarth Overlay

Table 2.2: Development around the Subject Site

North	Commercial Building
East	Access road
West	Open Land
South	Access road

3.0 Real Estate Sector Assessment

3.1 Introduction

Figure 3.1: Geographic Overview of Mumbai City



Mumbai city has grown from its origin nucleus – Fort, which still remains the commercial district for the entire city. Urbanization path of the city has largely been along the north–south corridor along the suburban railway tracks bounded by the sea to the west and separation from the mainland by a creek. First component of the city are seven small islands, which were combined, partly through silting and partly through land reclamation. The second component of the city includes the suburban area of Salsette Island north of Mahim Creek, which began to grow at a faster rate after independence due to congestion on the main Island City.

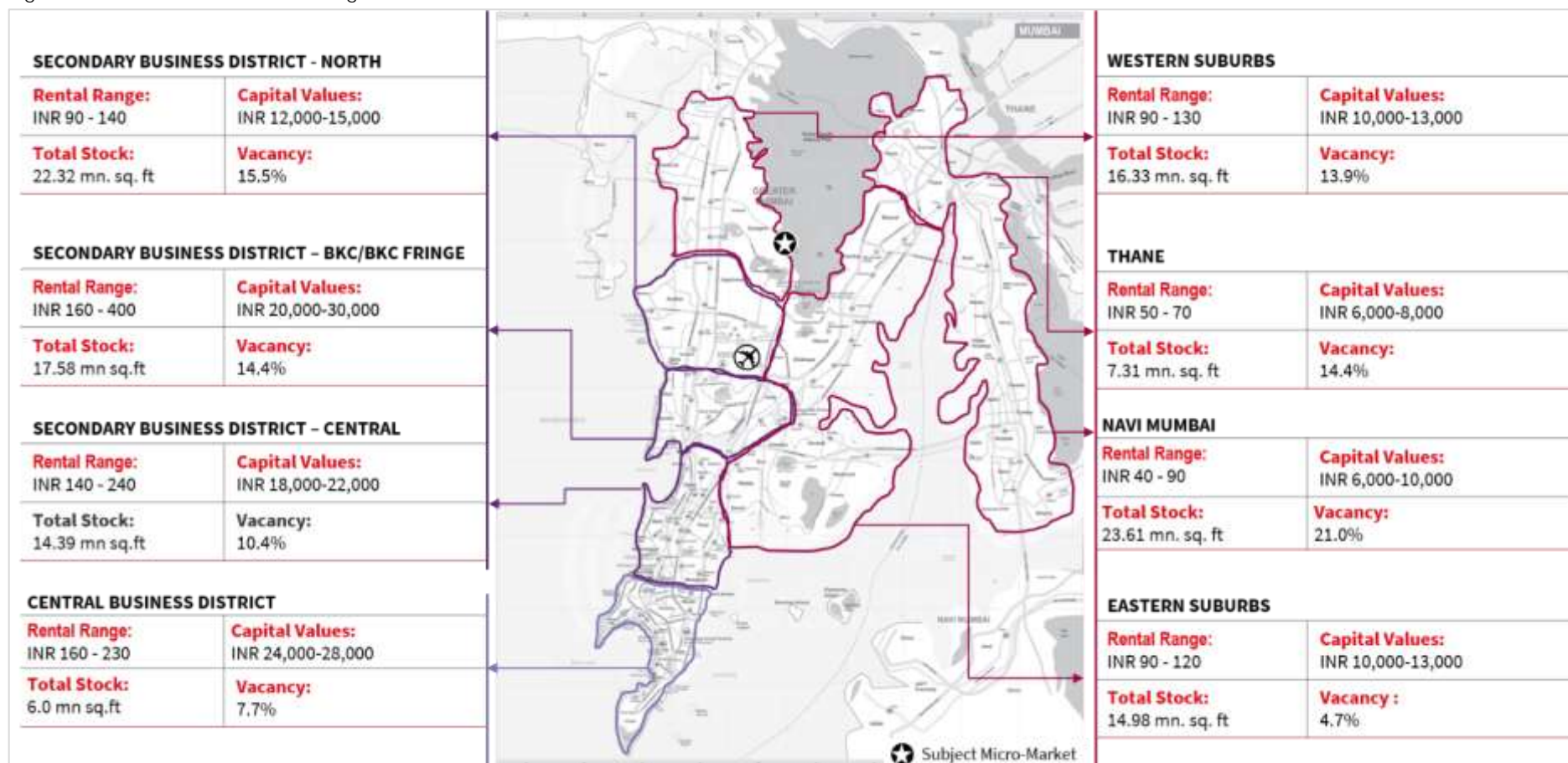
Mumbai's growth has been structured along major corridors of movement, which are the railway lines. Mumbai has three railway lines all going from south to north – they are the Western railway, Central railway and the Harbour lines. The Western railway line connects Mumbai to Delhi, while the Central railway joins the city with Central India. Growth of suburbs has occurred predominantly along these two railway lines. Growth of Navi Mumbai has been successful only because of the development of the Harbour line.

As Mumbai is the commercial and financial capital of India, almost all major Indian corporates, leading Indian PSUs and MNCs have their offices in the city. Traditionally, Nariman Point in South Mumbai (Central Business District of Mumbai) has been the hot spot for all prestigious office occupiers. However, post 1997; alternate locations other than the traditional Central Business District ('CBD') have become more acceptable to MNCs as they offered a more cost-effective and a better built environment. Commercial real estate market of Mumbai is one of the most expensive destinations in the world, mainly due to limited availability of quality commercial offices.

Development of Central Mumbai came into focus after National Textile Corporation Ltd. (NTC) allowed re-development of the erstwhile mill properties. Mill land re-development, which included NTC Mill properties as well as private mill properties, injected new commercial space supply in Central Mumbai.

Mumbai may be divided into seven micro-markets from the perspective of commercial office space developments. These micro-markets have been organized as per similarity in development and outlook.

Figure 3.2: Division of Mumbai Region into various Micro-Markets



Source: JLL Research Q2 2021, Rents are on leasable area

Table 3.1: Micro-market delineation giving the constituent locations and brief descriptions of the micro-markets.

Micro-Market	Constituent Locations	Description
Central Business District	Colaba, Nariman Point, Fort, Cuffe Parade, Ballard Estate, Grant Road, Marine Lines, Sandhurst Road	Traditional CBD of the city, and characterised by Head Offices of all major corporate and Government offices. Caters to MNC's, financial institutes, corporate offices of major companies, banks, stock brokers, and diamond merchants, among others
Suburban Business District-Central	Lower Parel, Mahalaxmi, Worli, Prabhadevi, Dadar, Parel, Matunga, Elphinstone	Re-development of mill lands primarily provides for the stock in this micro market. Caters to companies like media, news, and corporate offices, among others
Suburban Business District-BKC	Bandra, Khar, Santacruz, Kurla	BKC developed as the new CBD by MMRDA in late 1970s. Govt. has increased FSI to 4 for Block G of BKC further improving supply pipeline. Caters primarily to banks and financial institutions.
Suburban Business District-North	Andheri, Oshiwara, Juhu	Development of office space on the Andheri - Kurla Road, Airport and within SEEPZ has driven growth. Office space caters to SEEPZ, small industries, financial institutions, IT companies, logistics, media and film industry, among others <u>Subject Property Lies in this Micro Market</u>
Western Suburbs	Jogeshwari, Goregaon, Malad, Kandivali, Borivali, Dahisar	Late to see commercial office development, this micro market has significant concentration of commercial office space located in Goregaon and Malad areas, but not beyond. Caters largely to the IT/ITES sector.
Eastern Suburbs	Chembur, Ghatkopar, Bhandup, Chembur, Mulund, Powai	Office space development in this area mainly caters to the IT/ITES sector. Older industrial areas are being redeveloped into commercial offices catering to IT/ITES, branch offices, and consultants, among others in this area.
Navi Mumbai and Thane	Navi Mumbai: Vashi, Nerul, Kharghar, Juinagar, Seawoods, Panvel and thane	Office space development is concentrated along the Thane-Belapur belt, and near station in certain nodes like Vashi and CBD Belapur mainly catering to the IT/ITES sector. Proposed international airport in Navi Mumbai is poised to further trigger residential as well as commercial growth in this micro market.

3.2 Micro-Market Overview:

The Subject Site is located in SBD North micro-market which is one of the upcoming developing areas of Mumbai City and majorly comprises of Andheri, Oshiwara, Juhu, Santacruz and Andheri Kurla Road micro-markets.

Figure 3.3: Key Trends of the Subject Micro-Market – Stock v/s Occupied Area v/s Rentals (Leasable Area)

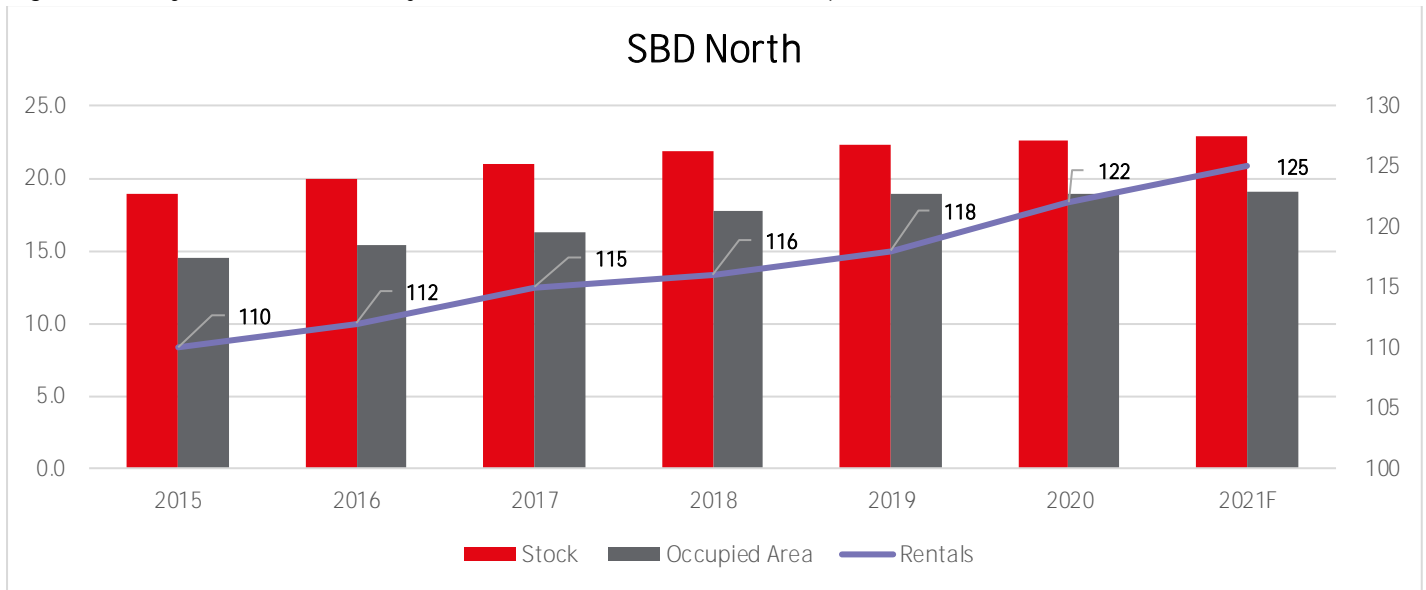
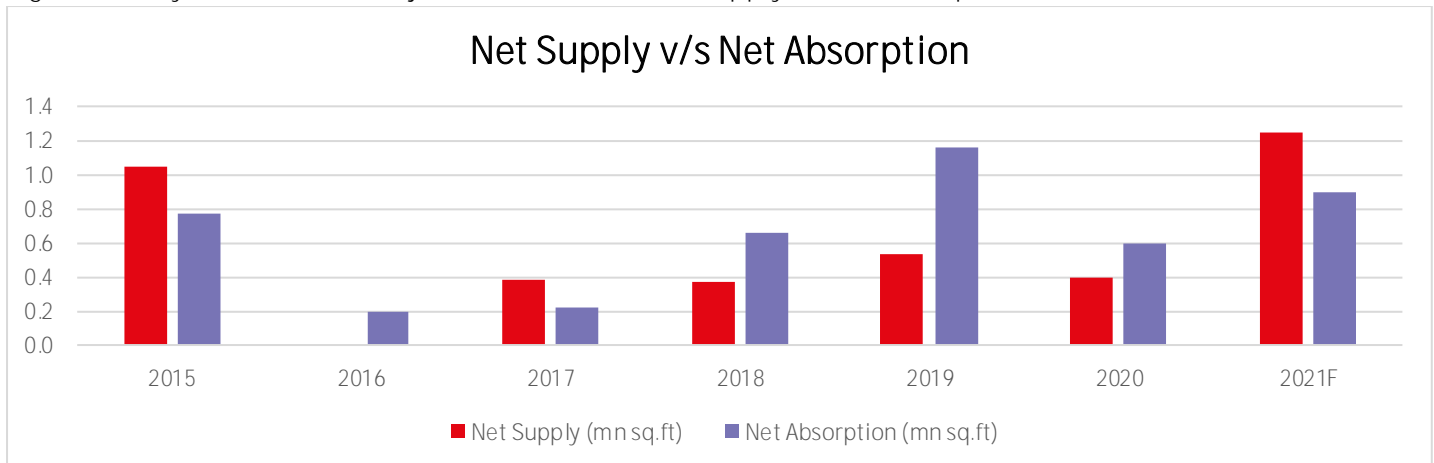


Figure 3.4: Key Trends of the Subject Micro-Market – Net Supply v/s Net Absorption



3.3 Micro-Market Characteristics

Strengths & Opportunities:

- It is an established back-office destination at competitive rental and capital values
- Development of the Metro in addition to the existing rail and road network has eased travelling to this sub-market
- Proximity to the International Airport
- Due to huge residential catchments, good proximity to the manpower pool
- Proximity to social infrastructure is a major advantage for this market

Challenges & Threats

- The road infrastructure in this sub-market is weak to handle the regular commute of large number of people
- There is limited availability of Grade A commercial stock in the market

Table 3.2: Characteristics of the Micro-Market of the Subject Site

Micro-Market Characteristics		
Overview	<ul style="list-style-type: none"> ▪ Immediate neighborhood primarily covers areas around Goregaon, Malad, Andheri, etc. ▪ Predominantly comprises Residential developments and commercial developments 	
Social Infrastructure	Schools	St Xavier's High School, Royal Academy School, Ryan International School, Yashodham High school and Junior College, Oberoi International School etc
	Hospitals	Kokilaben Dhirubhai Ambani Hospital, RG Stone Urological Research Institute, Nanavati Hospital etc.
	Retail	Inorbit Mall Malad, Growel's 101, Oberoi Mall Goregaon

3.4 Key Transactions

Table 3.3: Few Transactions in Office Market during Year 2020-21 in SBD North

S. No	Tenant Name	Location	Property Name	Leased Area (sq.ft.)	Monthly Rent (INR/sq.ft.)	Date	Efficiency (%)
1	CGI Studios Private Limited	Andheri E	Sumer Plaza	8,450	82	Q2, 2021	65%
4	Instant Travel Solutions	Andheri E	KP Aurum	1,350	85	Q1, 2021	67%
5	Acidaes Solutions Private Limited	Andheri E	Corporate Avenue	17,924	79	Q2, 2021	67%

3.4.1 Market rent levels and escalations

- Market rent levels fall in the range of INR 70 to INR 90 per sq. ft. per month on leasable area.
- In transactions that happen in this market and generally in commercial market, 15% escalation rate is seen every 3 years over the base rent.

3.4.2 Demand characteristics & demand generating factors

- This micro-market is mostly preferred by the financial companies and other corporates back office and other high end front offices.
- The demand for commercial space in this market is because of several reasons:
 - o Availability of Human Resource
 - o Larger floor plates in commercial buildings
 - o Campus commercial development

- Proximity to Western Expressway and Railway Station

3.4.3 Preliminary research of the market in which Subject Property is situated.

We have gathered data for the market in which the Subject Property is situated to get the flavour of the market rentals in relation to the options available with project specific advantages/ disadvantages.

Table 3.4: Market Data on Adjacent Projects

S.No	Property Name	Location	Total Area
1	Sumer Plaza	Marol	127,600
2	KP Aurum	Marol	144,000
3	Kalpataru Square	J B Nagar	360,000
4	215 Atrium (Phase 1)	J B Nagar	300,000

4.0 Valuation Analysis for Project Site

4.1 Basis of Valuation

The valuation has been carried out in accordance with the “International Valuation Standards” published by the International Valuation Standards Committee (“IVSC”), subject to variation to meet local established law, custom, practice and market conditions.

Market Value is defined by IVSC and adopted by RICS:

“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”.

4.2 Valuation Methods

The estimate provided under this assignment is Income Capitalization and Discounted Cash flow Method:

Income Capitalization Method: The income capitalization approach is based on the capitalization of the fully leased, current passing rental income and potential reversionary income over the remaining tenure of the property from the date of valuation at appropriate investment yield to arrive at the capital value. The appropriate adjustments/deductions for rent free period and ongoing vacancy voids/marketing periods for the vacant space have been allowed.

The prevailing market rentals has been obtained through analysis of the prevailing rental achieved in leases within the Property and achievable rentals of similar type properties in comparable localities based on market benchmarking.

Discounted Cash flow: This approach is based on the present value of the future receivable net income from the current / proposed operational leases and sales. The current lease and sales revenues and the future achievable rents and sales revenues derived from the Subject Property would be adjusted for the outgoing expenses to derive year on year cash flows. For opining on market value of the subject property, a nested approach has been adopted. While the methodology adopted is Discounted Cash Flow, the primary input assumption in this approach of achievable sale pricing has been arrived at by adopting the Direct Comparison Approach.

This method is subject to a number of hypothetical assumptions. A slight change in one or more of the assumptions would have a significant impact on the conclusions reached. In general terms, it is noted that the discounted cash flow values are most sensitive to changes in sale prices of completed development, construction costs, and capitalization rates, escalation in costs, appreciation of rates wherever applicable.

4.3 Key Assumptions

Following are some of the key inputs and assumptions used in the valuation analysis. Most of the inputs are derived from the market benchmarking based on the prevailing market conditions and market practices.

Table 4.1: Key Assumptions

Parameters	Assumptions	Remarks / Basis
Lease Rentals	INR 79.00 per sq. ft. per month on leasable area	Average Net Lease Rent, worked out from the prevailing market trends and competitive benchmarking as given in the Report
Yield Rate / Capitalization Rate	8.0%	Yield Rate for Commercial space
Disposal Cost	1.00%	As prevalent in the market
Discounting Rate	12%	As prevalent in the market

4.4 Rental Benchmarking and DCF workings

Table 4.2: Rental Benchmarking Table for the Subject Site

Attributes	Subject Property	Transaction - 1	D/P %	Transaction - 2	D/P%
Building name	Imperium	KP Aurum		Sumer Plaza	
Location	Andheri East	Andheri East	0.00%	Andheri East	0.00%
Accessibility	Accessible through Marol Maroshi Road, located about 4.5 km away from Andheri station	Accessible through Marol Maroshi Road, located about 4 km away from Andheri station	0.00%	Accessible through Marol Maroshi Road, located about 4 km away from Andheri station	0.00%
Imageability and neighbourhood	Good imageability & Established neighbourhood	Good imageability & Established neighbourhood	0.00%	Good imageability & Established neighbourhood	0.00%
Floor Plate / unit sizes	Medium office spaces	Medium office spaces	0.00%	Medium office spaces	0.00%
Transaction size (Sq.ft.)	8,711.00	1,350	- 10.00%	8,450	0.00%
Age of Building	More Than 10 years old	More Than 10 years old	0.00%	More Than 10 years old	0.00%
Type of Instance		Transacted	0.00%	Transacted	0.00%
Period of Instance		1Q 2021	0.00%	2Q 2021	0.00%
Total Premiums / Discounts			- 10.00%		0.00%
Asking Rate on Leasable Area (INR psft)		85		82	
Benchmarked Rate on Leasable Area (INR psft)		76.5		82.00	
Weightage		50.00%		50.00%	
Achievable Rate on Leasable Area (INR psft)		79			
Achievable Rate on Leasable Area (INR psft) (Exclusive of CAM and Property Tax) - Rounded Off		79			

Note: Discount – D / Premium – P;

4.5 DCF Working

Table 4.3: DCF Working for Subject Site

Income		31-Mar-21	1-Oct-22	1-Oct-23	1-Oct-24	1-Oct-25	1-Oct-26	1-Oct-27	1-Oct-28	1-Oct-29	1-Oct-30	1-Oct-31
Base Rent (Current Agreement)		-	14,991,979	15,591,659	16,215,325	16,863,938	13,023,635	-	-	-	-	-
Base Rent (Fresh Agreement)		-	-	-	-	-	-	19,198,046	19,198,046	19,438,021	22,077,753	22,077,753
Total		-	14,991,979	15,591,659	16,215,325	16,863,938	13,023,635	19,198,046	19,198,046	19,438,021	22,077,753	22,077,753
Deductions:												
Leasing Charges (2 month rent)		-	-	-	-	-	-	3,199,674	-	-	-	-
Insurance	5%	-	175,615	184,396	193,616	203,296	213,461	224,134	235,341	247,108	259,463	272,437
Property tax	5%	-	767,136	805,493	845,767	888,056	932,459	979,082	1,028,036	1,079,437	1,133,409	1,190,080
CAPEX on refurbishment	1%	-	149,920	155,917	162,153	168,639	130,236	191,980	191,980	194,380	220,778	220,778
CAM Loss		-	1,160,004	1,160,004	532,812	532,812	532,812	532,812	532,812	532,812	532,812	532,812
Gross Annual Income		-	12,739,305	13,285,849	14,480,977	15,071,134	11,214,667	14,070,363	17,209,877	17,384,284	19,931,291	19,861,647
Net Annual Income		-	12,739,305	13,285,849	14,480,977	15,071,134	11,214,667	14,070,363	17,209,877	17,384,284	19,931,291	19,861,647
Terminal Value	8.00%											276,784,346
Disposal Cost	1.00%											2,767,843
Net Cash Flow		-	12,739,305	13,285,849	14,480,977	15,071,134	11,214,667	14,070,363	17,209,877	17,384,284	19,931,291	293,878,149

Table 4.4: DCF Working Summary

DCF Approach – NPV @12 % discount rate	192,499,640	INR
	192.50	INR in Million
Leasable Area	17,422	Sq.ft.

4.6 Income Capitalization Working

INFLOW	INR
Total area (Carpet Area)	17,422
Achievable Rent (Leasable Area) - INR /sq.ft./month	79
Total annual Base rent	16,568,322
<i>Total Annual Rent</i>	16,568,322
TOTAL INFLOW	16,568,322
OUTFLOWS	INR
Property tax (As provided by Client)	767,136
Insurance (As provided by Client)	175,615
CAM Charges	1,160,004
TOTAL OUTFLOWS	2,102,755
NET CASHFLOWS	14,465,567
VALUATION	INR
Capitalisation Rate	8.25%
Capitalised Value	175,340,206
Disposal Cost (1% of Capitalised Value)	1,753,402
Leasing charges (2 months rent)	2,761,387
Total Valuation	170,825,417
OMV of Subject Property	170,825,417
OMV of Subject Property (rounded off)	171,000,000
OMV of Subject Property (INR in million)	171

4.7 Valuation Summary

Table 4.5: Valuation Summary of the Subject Site

Particulars	Imperium
DCF - Net Present Value (in INR Million)	192.50
Income Capitalization (in INR Million)	171.00
Average (in INR Million)	181.75

4.8 Opinion on Market Value

Table 4.6: Opinion on Market Value of the Subject Site

Particulars	Imperium
Imperium (Leasable Area) (sq.ft.)	17,422
Opinion on Market Value of the Subject Site (INR)	182,000,000
Rate Per Sq.ft (On Leasable Area) (INR per sq. ft.)*	10,450

With all the assumptions as mentioned, we are of opinion that the Market Value (MV) of building Imperium, Marol Maroshi Road, Andheri East, Mumbai 400059 admeasuring **approx. 17,422 Sq.ft. of Leasable Area**. (Referred to as the subject property), as on 27th October 2021, is estimated to be as **INR 182,000,000 /-** (Indian Rupees One Hundred Eighty Two Million only)

**Rounded off*

Material Uncertainty: The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. We consider previous market evidence may not reflect current market conditions for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our opinion on market value/valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’. As there is no local recommendation, we refer to VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review. Owing to the guidelines prescribed by the Government resulting in the subsequent imposition of a nation-wide lockdown, the valuation has been undertaken on the basis of information provided by the client. No site visit has been undertaken to assess the subject site.



Girish K. S.

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5.0 Annexure – 1

1.1 Terminal Yield Rate

Terminal yield rate is a function of Qualitative Aspects of the asset like –

- Location with respect to City as well as IT & ITES district
- Grade A Project by established real estate players or developers
- Master Layout Plan (MLP) & Building Layout Plan
- Shape & Size of the site & building
- Amenities & Facilities provided
- Grade of construction and specifications
- Rating, Award or Recognition
- Tenant Profile
- Scope of Value addition or maximization by managing asset
- **In the current market dynamics, investment sales transactions for 'A' grade leased / pre-committed commercial spaces at PBD locations are being concluded in the range of 7.00% to 9.00% entry yield depending on the nature of asset. It is generally observed that over the time there is yield compression and an investor benefits from capital appreciation of the asset apart from the rental income received during the holding period.**
- In emerging economies, we have observed capital appreciation in the built asset not only due to tenant profile and upkeep of the asset but also location improvement / location gaining prominence overtime. Going forward, we are of the opinion that the interest regime would be further liberalized and there is likely to be drop in interest rates. Due consideration has also been given to capital expenditure in the asset. Hence apart from rental income there are strong chances of capital appreciation overtime. Given this observation, location and quality of the asset, we are of the opinion that there would not be significant difference in the market perception of terminal yield & capital rate.
- Subject site scores high in all the above mentioned qualitative parameters and is anticipated to benefit from yield compression overtime given its product quality, developer profile and the tenant profile. Hence the terminal yield rate for the subject property is anticipated to be in the range of 7.00% to 9.00% (considering average figure of 8.00%) we have considered a Terminal Yield Rate of 8.0%.