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Initiating coverage

Real Estate

Target price: Rs126

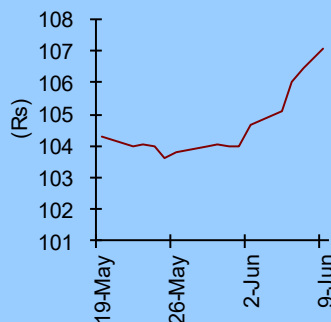
ESG disclosure score

Year	2021	2022	Chg
ESG score	NM	NM	NM
Environment	NM	NM	NM
Social	NM	NM	NM
Governance	NM	NM	NM

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: Bloomberg, I-sec research

Price Chart



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Nexus Select Trust

BUY

Yield play on Indian consumption story

Rs107

We initiate coverage on Nexus Select Trust (Nexus) REIT with BUY rating based on Mar'24E DCF-based target price of Rs126/share. As of Dec 31, '22, Nexus owns and operates 17 Grade A urban consumption centres or retail malls with total leasable area of 9.2msf, two complementary hotel assets (354 keys) and three office assets (1.3msf). We expect Nexus REIT's net operating income (NOI) CAGR at 10.4% over FY23-26E to Rs18.8bn based on the expected ramp-up in occupancies in existing assets, annual rental escalations and mark up of leases that are expiring. At CMP of Rs107, we expect Nexus REIT to deliver NDCF distribution yield of 7.1% in FY24E, 7.7% in FY25E and 8.2% in FY26E. We expect ~65-70% of distribution to be in the form of dividends/principal repayments that are tax free. We believe upsides from mark-to-market opportunity, portfolio rental appreciation of 5-6% beyond FY26E and any value-accretive acquisitions may enable the REIT to deliver annual capital appreciation of 6-7% over and above the distribution yield. Key risks: Slowdown in discretionary consumption, and fall in occupancies and rentals across portfolio assets.

- **Quality retail asset portfolio across tier I/II Indian cities:** Nexus, which listed on the exchanges on May 19, '23 is India's first retail REIT with 17 urban consumption centres (retail malls) with total leasable area of 9.2msf, two complementary hotel assets (354 keys) and three office assets (1.3msf) as of Dec 31, '22. As of Dec 31, '22, Nexus has 96.2% average committed occupancy across its portfolio with a weighted average lease expiry (WALE) of 5.7 years, a 11.0% CAGR in tenant sales from FY18 to FY20, and 7.5% CAGR in marginal rents across its portfolio from CY16 to CY19. The Trust's portfolio has a tenant base of 1,044 domestic and international brands with 2,893 stores as of Dec 31, '22 and is well diversified across cities with no single asset and tenant contributing more than 18.3% and 2.8% of its total gross rentals for the month of Dec, '22, respectively. The Trust owns high quality assets in major cities such as Delhi, Navi Mumbai, Bengaluru, Pune, Hyderabad and Chennai, and has strong presence in other prominent cities such as Chandigarh, Ahmedabad and Bhubaneswar.
- **Strong NOI CAGR of 10.4% over FY23-26E:** The Trust's assets have demonstrated strong growth over FY20-9MFY23 by leasing 4.2msf and achieving average re-leasing spreads of 19.2% on approximately 2.9msf of re-leased space. Furthermore, it has a strong track record of delivering inorganic growth through accretive acquisitions of stabilised assets and turnaround of underperforming assets. Hence, we estimate Nexus' NOI CAGR of 10.4% over FY23-26E to Rs18.8bn based on the expected ramp up in occupancies in existing assets, annual rental escalations and mark-up of leases that are expiring.

Market Cap	Rs162bn/US\$2bn	Year to Mar*	FY23E	FY24E	FY25E	FY26E
Bloomberg	NXST IN	Revenue (Rs bn)	19.5	21.4	22.9	24.5
Shares Outstanding (mn)	1515.0	Adjusted PAT (Rs bn)	4.8	7.7	8.7	9.8
52-week Range (Rs)	107/100	DPU (Rs)	-	7.6	8.2	8.8
Free Float (%)	NA	NDCF (Rs bn)	NM	11.6	12.4	13.3
FII (%)	NA	P/E (x)	-	20.9	18.5	16.5
Daily Volume (US\$'000)	NA	P/B (x)	-	1.1	1.1	1.1
Absolute Return 3m (%)	NA	Net D/E (x)	2.1	0.2	0.2	0.2
Absolute Return 12m (%)	NA	Distribution yield (%)	-	7.1	7.7	8.2
Sensex Return 3m (%)	6.6	RoCE (%)	14.1	9.2	7.2	8.0
Sensex Return 12m (%)	17.0	RoE (%)	23.5	8.7	5.8	6.6

*FY23E proforma estimates prior to REIT listing on 19th May'23

Please refer to important disclosures at the end of this report

TABLE OF CONTENT

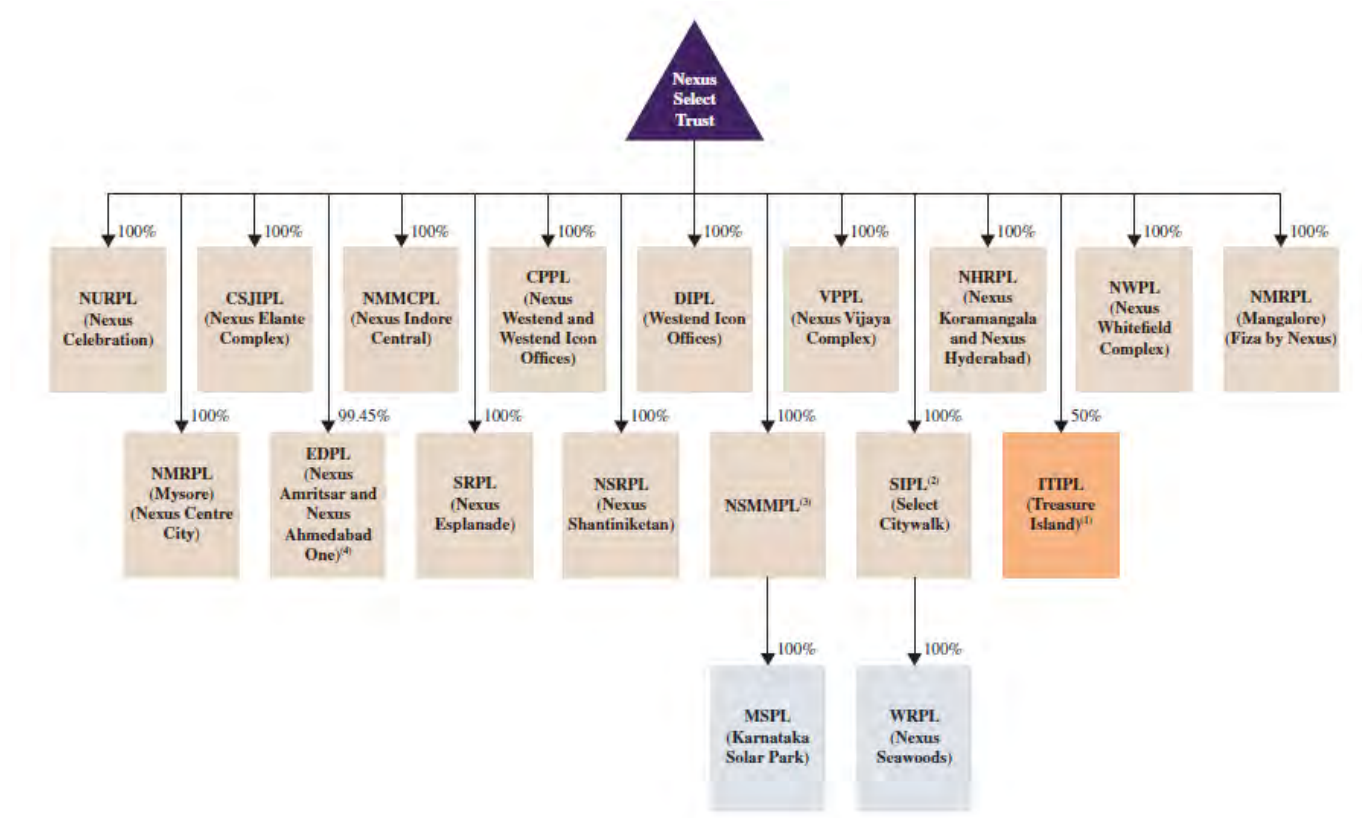
Company profile	3
Overview of assets	5
Strong embedded growth with inflation hedged cashflow	7
Strong track record of acquiring and turning around underperforming retail assets	9
Proactive leasing approach	11
Diversified tenant base of renowned national and international brands	13
Deep tenant relationships driving tenant retention and sales growth	16
Resilient amid Covid-19 disruption	18
Strong NOI CAGR of 10.4% over FY23-26E	19
Valuation	21
Initiate coverage with BUY rating	21
Nexus Malls vs Phoenix Mills.....	23
Key risks	24
Board of Directors of the Manager	26
Key personnel of the Manager	27
Functional heads of the Manager	27
Key portfolio assets	29
1. Select Citywalk, Delhi	29
2. Nexus Elante Complex, Chandigarh.....	31
3. Nexus Seawoods, Navi Mumbai	33
4. Nexus Ahmedabad One, Ahmedabad	35
5. Nexus Hyderabad, Hyderabad.....	37
6. Nexus Koramangala, Bengaluru	39
7. Nexus Vijaya, Chennai.....	41
8. Nexus Westend, Pune	43
9. Nexus Esplanade, Bhubhaneshwar	45
10. Nexus Amritsar, Amritsar	48
11. Nexus Shantiniketan, Bengaluru.....	50
12. Nexus Whitefield, Bengaluru.....	52
13. Nexus Celebration, Udaipur.....	54
14. Fiza by Nexus, Mangaluru	56
15. Nexus Centre City, Mysuru	58
16. Nexus Indore Central, Indore.....	60
17. Treasure Island, Indore.....	62
Financial summary (consolidated)	64
Index of Tables and Charts	66

Company profile

Nexus Select Trust (Nexus), which listed on the exchanges on May 19, '23, is India's first retail REIT with 17 urban consumption centres (retail malls) with total leasable area of 9.2msf, two complementary hotel assets (354 keys) and three office assets (1.3msf) as of Dec 31, '22. As of Dec 31, '22, Nexus has 96.2% average committed occupancy across its portfolio with a weighted average lease expiry (WALE) of 5.7 years, a 11.0% CAGR in tenant sales from FY18 to FY20, and 7.5% CAGR in marginal rents across its portfolio from CY16 to CY19. The Trust's portfolio has a tenant base of 1,044 domestic and international brands with 2,893 stores as of Dec 31, '22 and is well diversified across cities with no single asset and tenant contributing more than 18.3% and 2.8% of its total gross rentals for the month of Dec, '22, respectively. The Trust owns high quality assets in major cities such as Delhi, Navi Mumbai, Bengaluru, Pune, Hyderabad and Chennai, and has strong presence in other prominent cities such as Chandigarh, Ahmedabad and Bhubaneswar.

Nexus REIT is sponsored by the Blackstone Group and is being managed by the REIT Manager, led by Dalip Sehgal, the Executive Director and CEO of the Manager. Dalip Sehgal is a veteran in consumer sector with around 40 years of experience across real estate and consumer goods sectors. He has been associated with WRPL (Westerly Retail Pvt Ltd) as its chief executive officer and has earlier held senior leadership positions in Hindustan Lever Limited and Godrej. The Manager is a fully integrated platform for operating retail assets in India. Nexus' senior management team comprises nine individuals with strong capabilities across leasing, property management, marketing, operations, acquisitions, development, capital expenditure projects, debt financing and ESG.

Chart 1: Nexus Select Trust company structure



Source: Company, I-sec research, (1) Nexus Select Trust holds only 50% stake in ITIPL, the balance 50% stake continues to be held by the joint venture partner (Karan Chhabra). Further, ITIPL has two subsidiaries that it will continue to retain, (2) it is proposed that WRPL will be merged with SIPL. A scheme of amalgamation involving SIPL and WRPL is proposed to be filed by the relevant parties post filing of the Final Offer Document, (3) NSMMPL is in the process of being amalgamated with MSPL. MSPL has filed a notice dated April 7, 2023 for approval of this scheme of amalgamation with the central government through the Regional Director, North-Western Region, (4) 12,926 equity shares aggregating 0.55% held by SSIII Indian Investments One Ltd. is currently subject to a regulatory lock in until Sep 30, '25 and shall be transferred to the Nexus Select Trust after expiry of such regulatory lock-in at the option of the Nexus Select Trust pursuant to a call option in favour of the Nexus Select Trust as agreed to under the EDPL SAA.

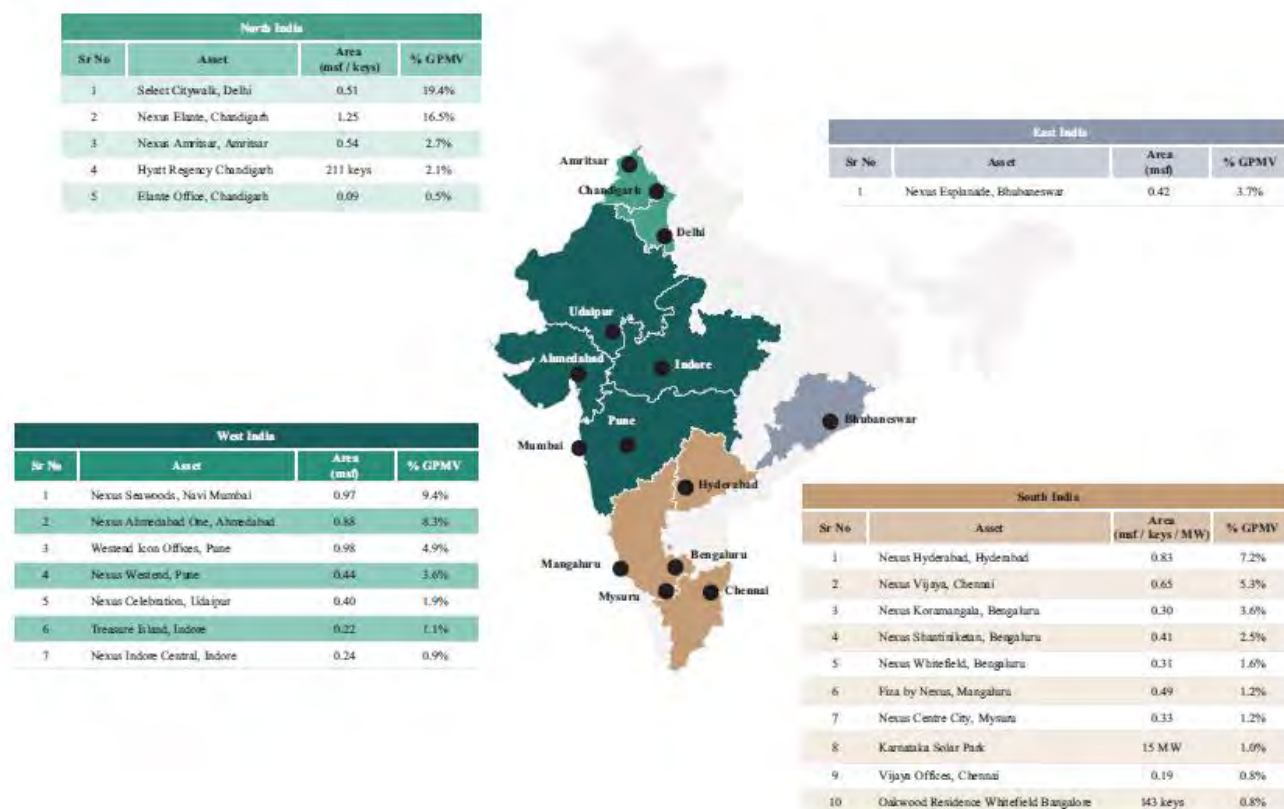
Overview of assets

Table 1: Nexus Select Trust's asset portfolio as of Dec 31, '22*

Name of Asset	Leasable Area (msf)/Keys (for Hotels)/MW (for Renewable Power Plants) (as applicable)	Committed Occupancy/Office Occupancy/Hotel Occupancy ⁽¹⁾ (as applicable)	Market Value (Rs. million)	% of Gross Portfolio Market Value	WALE (Years)
Urban Consumption Centres					
Select Citywalk	0.51 msf	98.8%	45,519	19.4%	4.9
Nexus Elante	1.25 msf	99.4%	38,672	16.5%	5.5
Nexus Seawoods	0.97 msf	99.0%	22,169	9.4%	7.1
Nexus Ahmedabad One ⁽²⁾	0.88 msf	96.4%	19,561	8.3%	6.0
Nexus Hyderabad	0.83 msf	98.8%	16,896	7.2%	4.2
Nexus Koramangala	0.30 msf ⁽³⁾	97.8%	8,352	3.6%	3.3
Nexus Vijaya	0.65 msf	99.4%	12,565	5.3%	4.2
Nexus Westend	0.44 msf	95.9%	8,444	3.6%	7.8
Nexus Esplanade	0.42 msf	97.0%	8,617	3.7%	7.7
Nexus Amritsar	0.54 msf	97.2%	6,326	2.7%	6.7
Nexus Shantiniketan	0.41 msf ⁽⁴⁾	97.3%	5,953 ⁽⁴⁾	2.5%	6.9
Nexus Whitefield	0.31 msf	94.7%	3,681	1.6%	4.7
Nexus Celebration	0.40 msf	94.6%	4,557	1.9%	5.0
Fiza by Nexus	0.49 msf ⁽⁵⁾	71.7%	2,881 ⁽⁵⁾	1.2%	5.1
Nexus Centre City	0.33 msf	97.8%	2,714	1.2%	6.7
Nexus Indore Central	0.24 msf	90.4%	2,007	0.9%	13.7
Portfolio Investment					
Treasure Island	0.22 msf ⁽⁶⁾	96.8%	2,552 ⁽⁶⁾	1.1%	5.1
Subtotal Urban Consumption Centres	9.18 msf	96.2%	211,466	90.0%	5.7
Offices					
Westend Icon Offices	0.98 msf	74.9%	11,442	4.9%	3.5
Vijaya Office	0.19 msf	100.0%	1,823	0.8%	3.2
Elante Office	0.09 msf	75.1%	1,059	0.5%	4.6
Subtotal Offices	1.26 msf	78.7%	14,324	6.1%	3.6
Hotels					
Hyatt Regency Chandigarh	211 keys	66.2%	4,908	2.1%	NA
Oakwood Residence Whitefield Bangalore	143 keys	73.0%	1,882	0.8%	NA
Subtotal Hotels	354 keys	69.0%	6,790	2.9%	NA
Renewable Power Plants					
Karnataka Solar Park	15 MW (AC)	NA	2,413	1.0%	NA
Subtotal Renewable Power Plants	15 MW (AC)	NA	2,413	1.0%	NA
Total Portfolio	9.18 msf⁽⁷⁾ (Urban Consumption Centres)	96.2% (Urban Consumption Centres)	234,993	100.0%	5.7 (Urban Consumption Centres)
	1.26 msf (Offices)	78.7% (Offices)			3.6 (Offices)
	354 keys (Hotels)	69.0% (Hotels)			
	15 MW⁽⁸⁾ (AC) (Renewable Power Plants)				

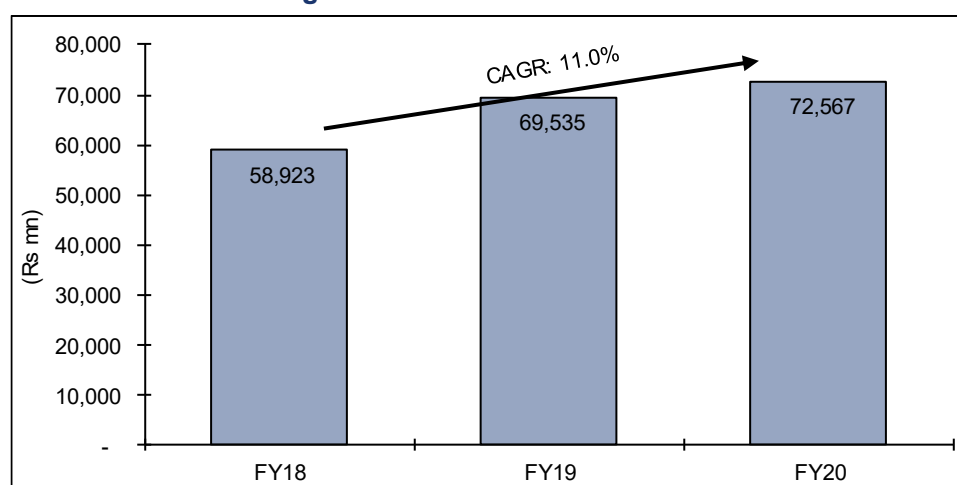
Source: Company, I-sec research, WALE = Weighted Average Lease Expiry, *Market Value is as per Independent Valuer valuation in DoD, (1) hotel occupancy representative of the twelve-month period ended Dec 31, '22, (2) includes Nexus Ahmedabad One Phase II (0.2msf; 84.0% committed occupancy as at Dec 31, '22), which launched operations in Aug'21. Committed occupancy excluding Nexus Ahmedabad One Phase II was 99.1% as of Dec 31, '22, (3) operational data presented above represents NHRPL's economic interest as of Dec 31, '22 in 302,063 sqft of leasable area in Nexus Koramangala arising out of its (i) ownership interest over 260,295sqft of leasable area, (ii) short-term leasehold rights over 13,656sq.ft. of leasable area valid until Mar 31, '28; and (iii) revenue share entitlements with respect to 28,112sqft of leasable area valid until Mar 31, '28, (4) total leasable area and market value of Nexus Shantiniketan is 0.63msf and Rs9,172mn, respectively, and the numbers indicated in the above table represent the leasable area and market value of the asset adjusted for the Trust's share of economic interest in the asset, (5) total leasable area and market value of Fiza by Nexus is 0.72msf and Rs4,236mn, respectively, and the numbers indicated in the above table represent the leasable area and market value of the asset adjusted for the Trust's share of economic interest in the asset, (6) total leasable area and market value of Treasure Island is 0.43msf and Rs5,104mn, respectively, and the numbers indicated in the above table represent the leasable area and market value of the asset adjusted for the Trust's share of economic interest in the asset, (7) total leasable area of the assets comprising the Trust's Portfolio (including 100% interest in Nexus Shantiniketan, Fiza by Nexus and Treasure Island) is 9.85msf, (8) excluding the Trust's asset SPVs' renewable power plants of 22.1 MW (AC) which have been set up for captive consumption.

Chart 2: Nexus Select Trust's geographical snapshot of portfolio assets*



Source: Company, I-sec research, *Market Value is as per Independent Valuer valuation in DoD,

Chart 3: Tenant sales grew at 11.0% CAGR from FY18-20*

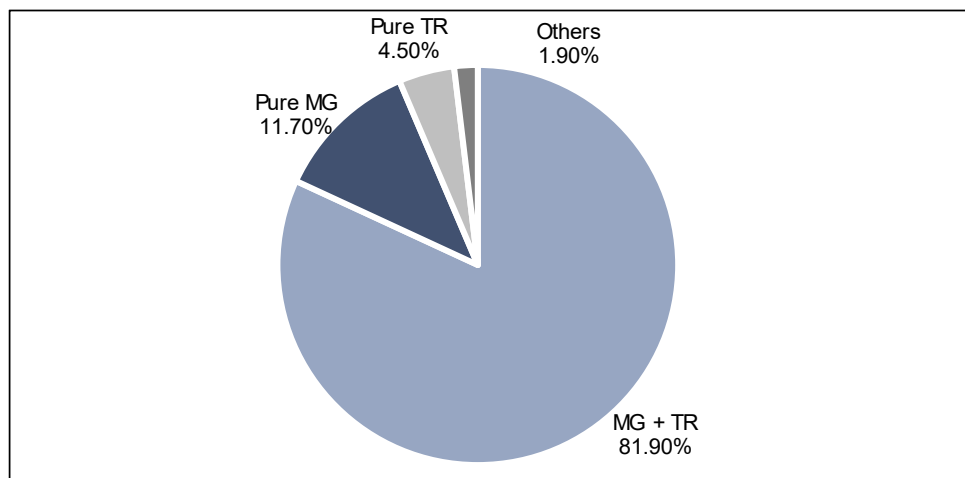


Source: Company, I-Sec Research, *CAGR for tenant sales between FY18 and FY20 is representative only of the 14 urban consumption centres in the Trust's portfolio that were operational on or prior to Mar 31, '17. FY20 tenant sales were impacted by Covid-19 for the month of Mar '20.

Strong embedded growth with inflation hedged cashflow

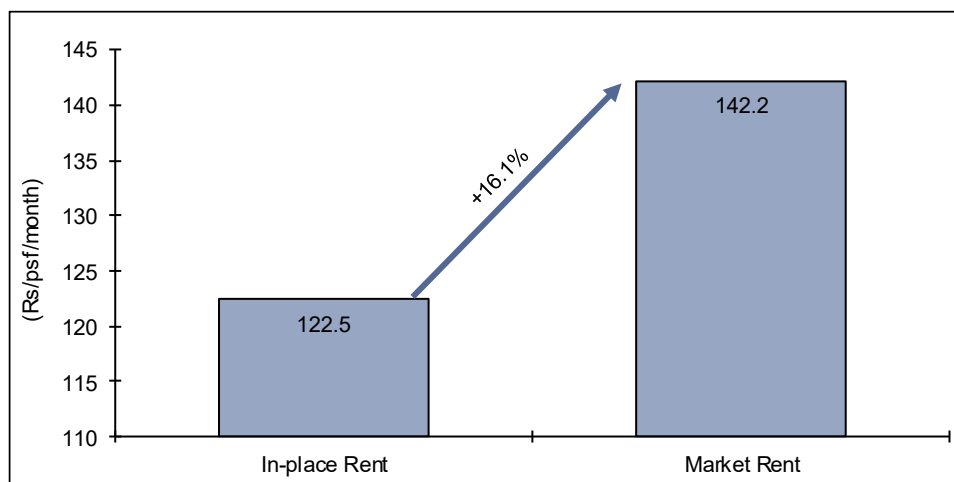
The Trust's portfolio is highly stabilised with 96.2% committed occupancy and 5.7-year WALE as of Dec 31, '22. It is well positioned for strong organic growth through a combination of contractual rent escalations, increased tenant sales leading to higher turnover rentals and re-leasing at higher market rents and lease-up of vacant area. The Trust's assets have demonstrated strong growth over FY20-9MFY23 by leasing 4.2msf and achieving average re-leasing spreads of 19.2% on approximately 2.9msf of re-leased space. Furthermore, it has a strong track record of delivering inorganic growth through accretive acquisitions of stabilised assets and turnaround of underperforming assets.

- 1) **Stable cashflow with contracted rent escalations:** Nexus' typically enters into 3-9-year leases for in-line tenants, 9-25-year leases for anchor tenants and 3-5-year leases for office tenants. Most of its tenant leases provide for minimum guaranteed rentals, as well as turnover rentals that allow it to capture incremental rents from tenant sales growth. As of Dec 31, '22, 95.5% of its tenant leases provide for minimum guaranteed rentals with typical contractual rent escalations of 12-15% over a period of 3-5 years. Its committed occupancy of 96.2% and 5.7-year WALE as of Dec 31, '22, together with leases featuring in-built contractual rent escalations provide strong cashflow stability to its portfolio.
- 2) **Tenant sales-linked turnover rent upside:** In addition to minimum guaranteed rentals, majority of its leases also include turnover rental arrangements that allow them to earn rental revenue based on a specified percentage of the tenant's sales. Through such arrangements, they are able to capitalise upon consumption growth and enhance their portfolio's revenue growth potential. As of Dec 31, '22, 88.3% of its leases had turnover rental arrangements. Turnover rental arrangements, minimum guaranteed rentals provide stability to rental revenue, whereas turnover rental arrangements allow Nexus to participate in the upside of growth in its tenants' sales. Turnover rental arrangements (that typically provide for turnover rent percentages of 5-25% of tenant sales, subject to a minimum guaranteed threshold) help index the Trust's rental income to tenant sales, and thereby, provide growth tailwinds in an inflationary environment.

Chart 4: Revenue from leases with tenants in the month ended Dec 31, '22

Source: Company I-Sec Research, Note: MG refers to Minimum Guaranteed Rentals; TR refers to Turnover Rentals

- 3) **Demonstrated mark-to-market growth:** The infill nature and high quality of Nexus' assets, combined with strong tenant demand and robust tenant sales growth, have led to growth in market rents outpacing in-place rents for its properties. It is well positioned to achieve significant growth as a result of 16.1% mark-to-market potential from rents that are below prevailing market rents. We have a demonstrated track record of driving rent growth by re-leasing at market rents. Over FY20-9MFY23, it has achieved average re-leasing spreads of 19.2% on approximately 2.9msf of re-leased space, with positive average re-leasing spreads even during years that were impacted by government restrictions and lockdowns relating to the Covid-19 pandemic (FY21 and FY22). REIT Manager estimates that lease expiries give the Trust the opportunity to re-lease an additional 1.4msf across its portfolio with an average 21.2% mark-to-market potential for leases expiring until FY25.

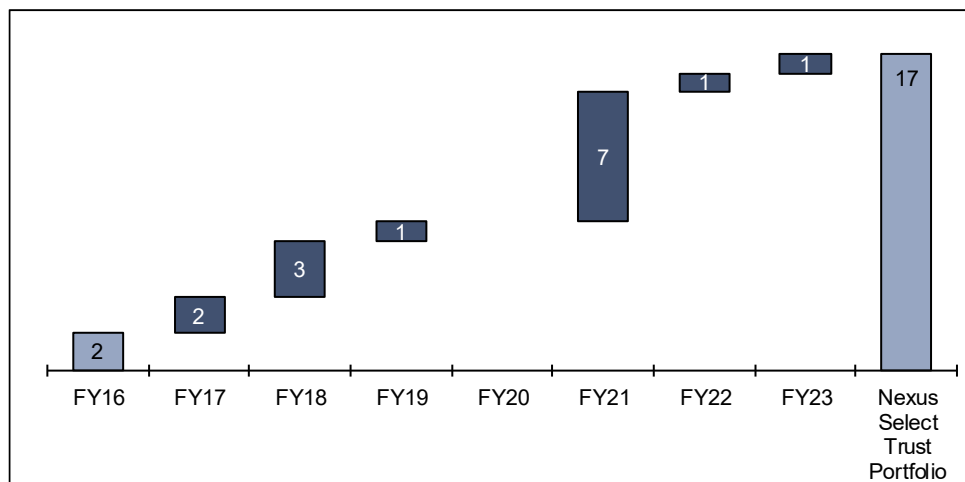
Chart 5: Comparison of average market rents vs in-place rents across Nexus' portfolio as of Dec 31, '22

Source: Company I-Sec Research

Strong track record of acquiring and turning around underperforming retail assets

The Nexus management team has a strong track record of delivering inorganic growth through accretive acquisitions and turnaround of underperforming assets. Since establishing the platform in 2016, it has consistently acquired and integrated high quality retail assets within sub-markets that have attractive fundamentals. Nexus management team has played a pivotal role in structuring complex acquisitions including single and multi-asset acquisitions, JV partnerships and REIT partnerships. The platform has also been instrumental in timely and seamless integration of new urban consumption centres into the portfolio. In addition to acquisitions, Nexus has undertaken strategic expansions in its existing assets to enhance the value of its portfolio. Driven by strong tenant demand, Nexus has developed 0.2msf expansion at Nexus Ahmedabad One, 0.1msf expansion at Select Citywalk, New Delhi and 0.2msf expansion at Nexus Seawoods, Navi Mumbai to enhance its scope of offerings. This has led to robust growth in key operational metrics, as demonstrated by 11.0% CAGR in tenant sales from FY18 to FY20 (for 14 urban consumption centres in its portfolio that were operational on or before Mar 31, '17).

Chart 6: Nexus has a consistent acquisition track record



Source: Company I-Sec Research

The Nexus management team also has an established track record of repositioning and turning around underperforming assets post-acquisition to significantly improve financial and operating performance.

Examples include:

- Nexus Amritsar (0.5msf) (in Amritsar, Punjab):** Since its acquisition of Nexus Amritsar in 2015, Nexus has transformed the urban consumption centre by incurring Rs300mn in capital expenditure until Dec 31, '22 to upgrade lobbies, plaza, food court, washrooms, external landscape and façade. The company has revamped the urban consumption centre's retail offerings by leasing over 0.2msf (between FY18 and Q3FY23) to high quality international brands such as Only, Puma, Calvin Klein, Forever 21, Under Armour and Tata Starbucks. These initiatives have allowed Nexus to increase committed occupancy at Nexus Amritsar from 64.6% as of Mar

31, '17 to 97.2% as of 31 Dec 31, '22, drive a CAGR of 23.7% in tenant sales between FY18 and FY20 and a CAGR of 7.9% in in-place rents from FY18 to FY20.

- **Nexus Ahmedabad One (0.9 msf) (in Ahmedabad, Gujarat):** Since its acquisition of Nexus Ahmedabad One in 2015, Nexus has invested approximately Rs200mn in capital expenditure until Dec 31, '22 to upgrade the atrium, food court, lobbies and washrooms. The mall's tenant mix has also been significantly enhanced by leasing 0.2msf (between FY18 and Q3 FY23) to renowned brands including Armani Exchange and Calvin Klein, amongst others, at an average re-leasing spread of 93.1%. Driven by strong tenant demand, Nexus has also developed Phase II of Nexus Ahmedabad One, 0.2msf expansion at 11.3% yield-on-cost to enhance the mall's scope of offerings. As a result, from FY18 to FY20, at Nexus Ahmedabad One, average in-place rents have increased at a CAGR of 15.5% and tenant sales per square foot have risen by a CAGR of 11.3%.
- **Nexus Celebration (0.4msf) (in Udaipur, Rajasthan):** Since its acquisition of Nexus Celebration in 2021, Nexus has invested Rs110mn in capital expenditure to significantly upgrade the mall's facilities including the food court. It has also leveraged its tenant relationships to lease 78,476sft (between FY22 and Q3 FY23) to new tenants such as Nykaa, Timezone and Mr. DIY, amongst others.

Proactive leasing approach

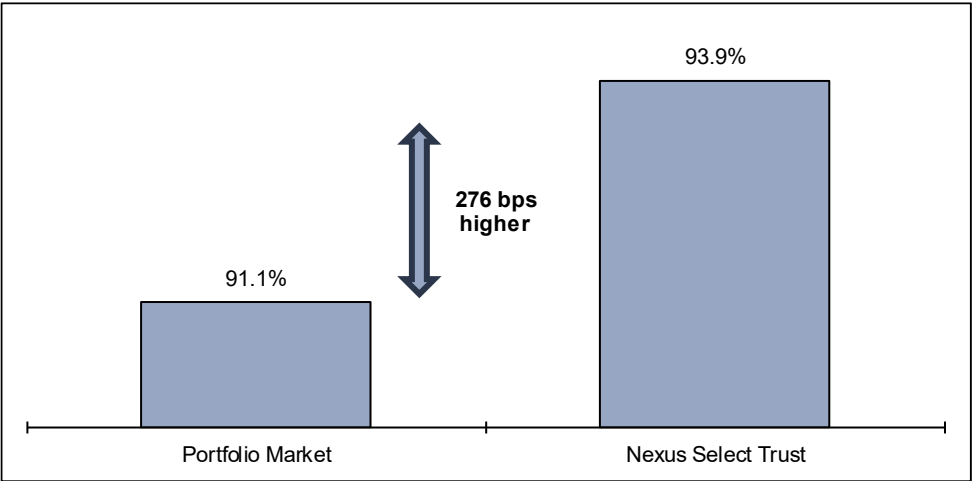
Nexus intends to continue its proven leasing strategy and maintain high occupancy with premium rents across its portfolio assets. The Trust's pan-India presence and strong local teams have helped it drive platform-level leasing synergies and establish deep relationships with tenants and brokers. Nexus continuously engages with its tenants' management teams to understand their growth plans and modify its leasing strategy accordingly. Nexus also relies on its strong data analytics capabilities to track tenant performance and determine the optimal tenant mix with the objective of maximising rents and tenant sales at its urban consumption centres. Nexus anticipates tenant vacancies, proactively engages with existing and prospective tenants and uses 'right tenant right location' tools to lease up vacant space. In certain cases, Nexus right-sizes or churns out underperforming tenants and brings in new tenants that have better tenant sales and rental potential. This has helped Nexus reduce vacancies and attract high quality tenants to its portfolio.

Nexus' urban consumption centres provide a complete shopping, dining and entertainment experience. It has proactively curated a diverse mix of tenants across different categories including hypermarket, departmental stores, apparel and accessories, entertainment and F&B to cater to all consumers. These categories drive significant footfalls and establish its assets as leisure and entertainment destinations of their respective catchments. Nexus is continuously looking to upgrade its tenant mix to accommodate the ever-evolving consumption and spending patterns of consumers. In order to accommodate consumer preferences, it has focused on adding tenants from more experiential categories such as F&B and entertainment centres.

Further, it has instituted international-standard practices such as consistent signage, uniform branding, regular health, safety and environmental audits and online helpdesks to ensure consumer safety and grievance redressal. Since the dates of its acquisition of certain assets in its portfolio, it has undertaken a number of programmes such as upgrading the atrium and façade at Nexus Ahmedabad One and Nexus Amritsar, modifying the façade at Nexus Hyderabad, Nexus Celebration and Nexus Whitefield, and refurbishing food courts at Nexus Elante, Nexus Ahmedabad One, Nexus Amritsar, Treasure Island, Nexus Koramangala, Nexus Hyderabad, Nexus Celebration and Nexus Shantiniketan.

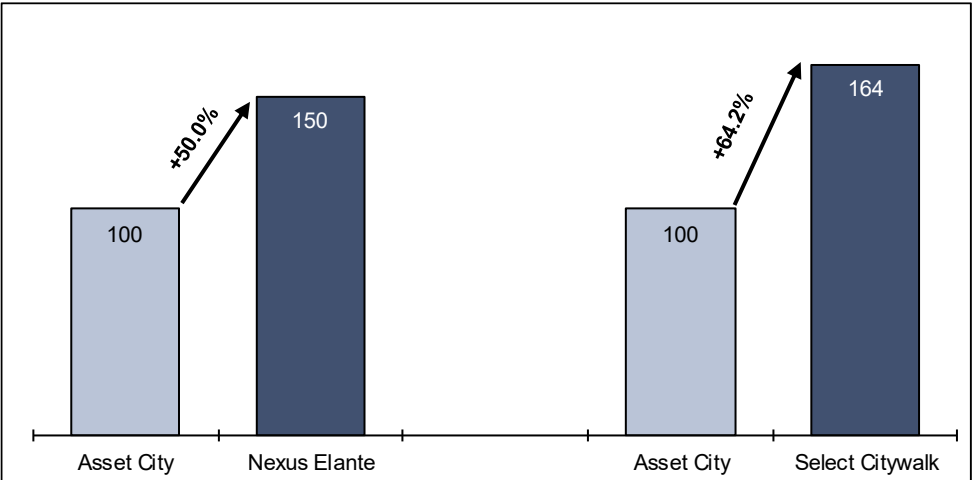
Nexus also undertakes year-round marketing and consumer engagement initiatives to increase the popularity and visibility of its assets. It has adopted an omni-channel marketing approach to maximise visibility and drive footfalls at its assets. It regularly undertakes social media marketing campaigns and physical advertisements in newspapers, as well as advertisements within and outside its urban consumption centre premises. It also organises events and promotions at its urban consumption centres, and over the last few years, Nexus has organised major concerts. It also celebrates all major festivals, further driving footfalls and helping to establish its urban consumption centres as community centres for its shoppers. Its marketing initiatives are tailored to each asset and submarket and are designed to attract shoppers and differentiate it from competing assets. In order to position Nexus as a pan-India brand, Nexus recently re-branded its urban consumption centres with 'Nexus' brand. This re-branding campaign received over 45mn impressions on digital media platforms, which contributed to an increase in footfalls recorded across its portfolio during the re-branding period.

Chart 7: Average same-store committed occupancy of Nexus’ portfolio is 276bps higher compared to its portfolio markets (as of Jun 30, ’22)



Source: CBRE, Company I-Sec Research

Chart 8: Select examples of marginal rent premium commanded by Nexus portfolio (as of Jun 30, '22)

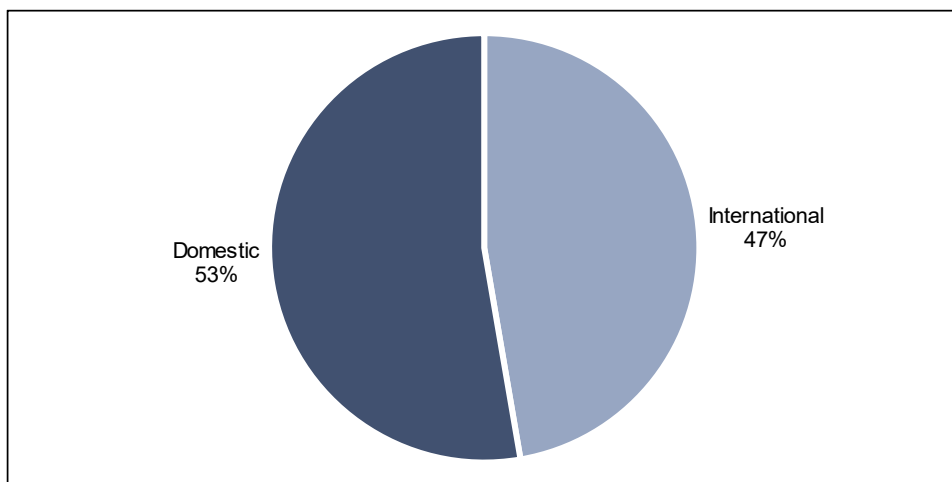


Source: CBRE, Company I-Sec Research, Note: Numbers in the chart represent Marginal Rent for the asset and its city. Rentals data is rebased to 100 as of 30 Jun'22, taking the city data as the base

Diversified tenant base of renowned national and international brands

Nexus has a high quality and diversified tenant base of 1,044 retail tenants across 2,893 stores as of Dec 31, '22, comprising a mix of leading international brands including Zara, ALDO, Superdry, and Marks & Spencer, and Indian brands including Croma, Shoppers Stop, PVR Cinemas and Forest Essentials. Approximately 47.3% of its gross rentals in the month ended Dec 31, '22 were from international brands and approximately 52.7% were from domestic Indian brands.

Chart 9: Gross rentals from international and domestic brands in the month ended Dec 31, '22



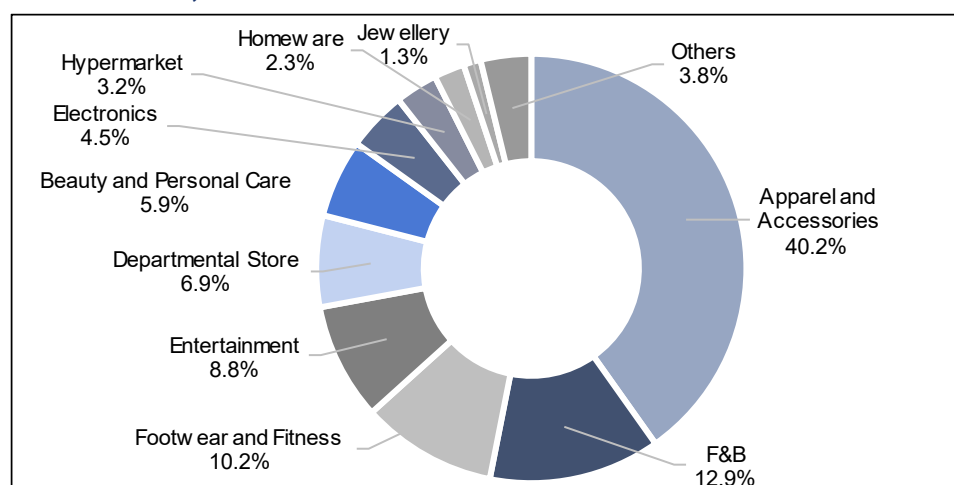
Source: Company I-Sec Research

Nexus is continuously looking to upgrade its tenant mix in order to provide an offering that accommodates the ever-evolving consumption and spending patterns of consumers. For example, over FY20-9MFY23, it has added 165 F&B brands to its tenant base and upgraded eight food courts, increasing the contribution from F&B to its gross rentals in the month ended Dec 31, '22 to 12.9%, and driving strong tenant sales through footfall growth. It actively evaluates its tenant mix and seeks to churn out underperforming brands and bring in new brands that have the potential to further drive growth in rents, tenant sales and footfalls at its assets. Nexus is also focusing on adding omni-channel retailers such as Nykaa, Mamaearth and Lenskart amongst many others, to provide an integrated omni-channel shopping experience to its consumers. At each of its urban consumption centre, it strives to maintain an optimal mix of domestic and international brands that are suitable for the respective city and submarket. As a result, its top ten tenants, as measured by gross rental contribution, accounted for only 20.2% of its gross rentals in the month ended Dec 31, '22 and no single tenant contributed more than 2.8% of its gross rentals in the month ended Dec 31, '22.

Table 2: Top 10 tenants accounted for only 20.2% of gross rentals

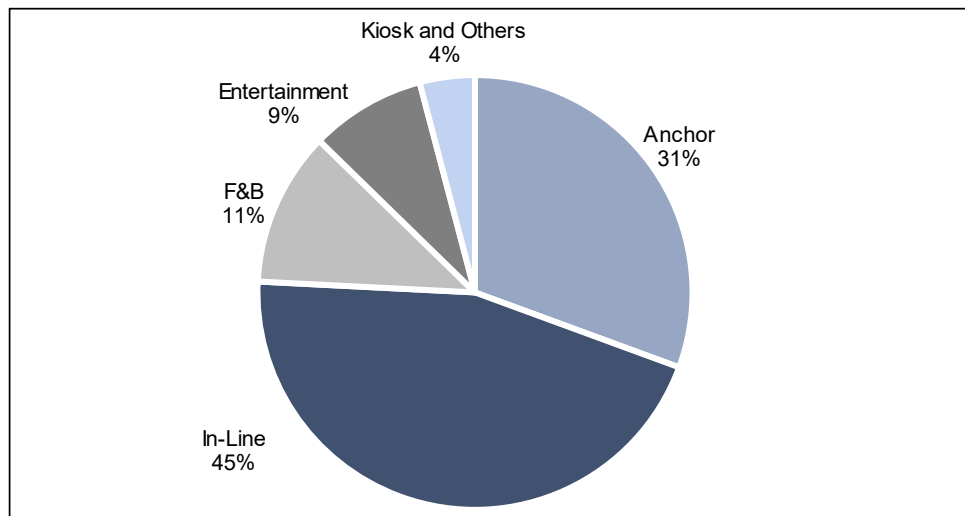
Top Ten Tenants by Gross Rentals	No. of Stores in our Portfolio	Leasable Area (sf)	Gross Rentals (%)	WALE (Years)	Trade Categories
1 Lifestyle	8	442,663	2.8%	8.8	Departmental Store
2 Cinepolis	6	362,349	2.6%	17.8	Entertainment
3 PVR Cinemas	8	502,062	2.5%	7.0	Entertainment
4 Westside	9	285,317	2.1%	7.0	Apparel and Accessories
5 Zara	3	119,823	2.0%	7.5	Apparel and Accessories
6 Shoppers Stop	5	283,366	1.8%	15.1	Departmental Store
7 Max	14	230,747	1.7%	6.4	Apparel and Accessories
8 Smart Bazaar	6	310,030	1.6%	10.8	Hypermarket
9 Swedish Apparel Retailer Chain	8	229,120	1.6%	21.9	Apparel and Accessories
10 Reliance Trends	12	215,124	1.5%	5.1	Apparel and Accessories
Total/Average of Top Ten Tenants	79	2,980,600	20.2%	10.7	

Source: Company I-Sec Research

Chart 10: Gross rentals from tenants split by trade categories in the month ended Dec 31, '22

Source: Company I-Sec Research

Chart 11: Gross rentals from anchor vs in-line tenants in the month ended Dec 31, '22



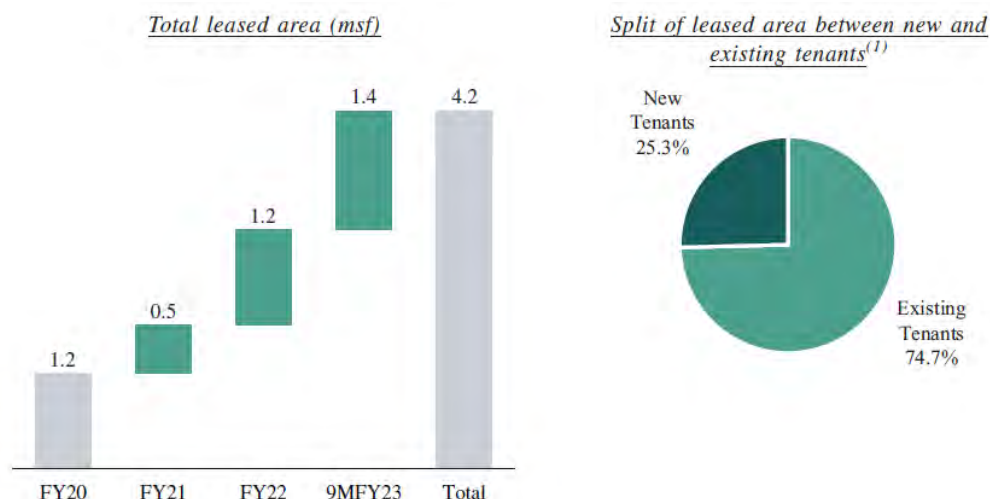
Source: Company I-Sec Research, Note: Kiosk and Others include gross rentals from F&B and Entertainment categories of 1.4% and 0.2% respectively

Deep tenant relationships driving tenant retention and sales growth

Nexus maintains regular communication with leasing heads of its tenants through a dedicated tenant relationship management programme that ensures it anticipates and caters to their growth plans. Nexus considers retailers as its partners and works closely with them to drive footfalls and tenant sales growth through outdoor hoardings, promotions, events and brand campaigns.

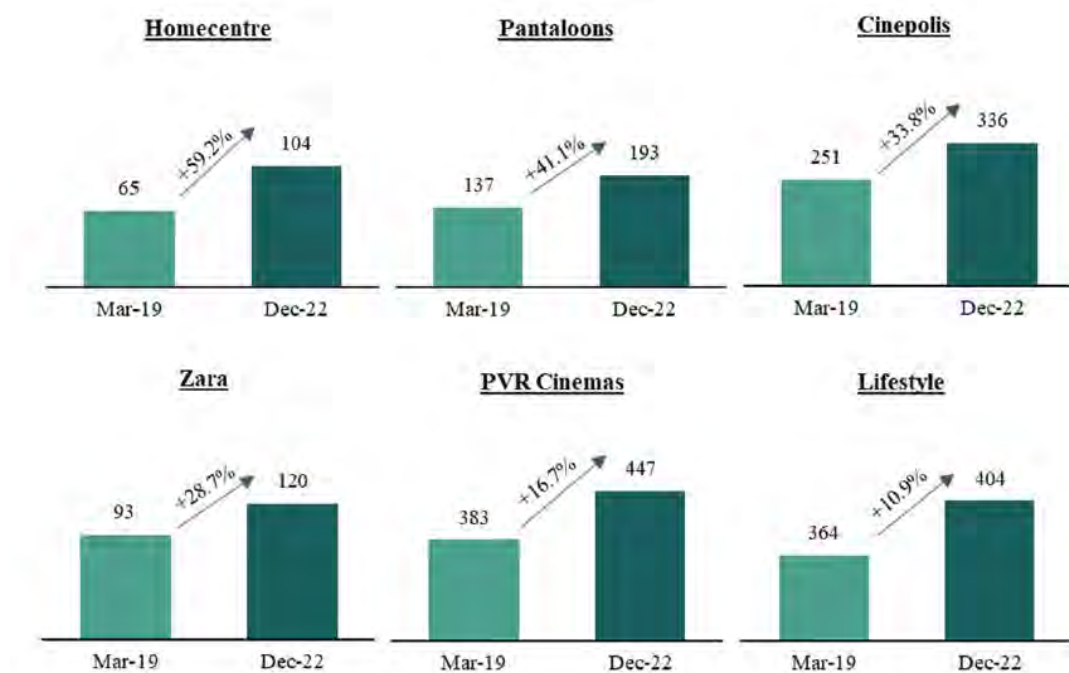
As a result, out of 4.2msf of leased space over FY20-9MFY23, 74.7% or 3.2msf was leased to existing tenants, in turn driving high and stable same-store committed occupancy levels that were over 90% on average across Nexus' portfolio since Jan 1, '18 until Jun 30, '22 (Source: CBRE). Nexus has also leased over 1.2msf and signed over 600 leases in FY22 despite the effects of the ongoing Covid-19 pandemic. Leveraging its strong tenant relationships, it has also entered into leases with brands for tenancies at multiple urban consumption centres across its portfolio. It has signed portfolio-level deals with Under Armour and Bath & Body Works across three urban consumption centres. Tata Starbucks and Nykaa have both expanded their presence in its urban consumption centres and now have 9 and 14 stores across its portfolio, respectively.

Chart 12: New leasing across Nexus portfolio over FY20-9MFY23



Source: Company I-Sec Research, (1) "Existing tenants" refers to tenants (by brand) already present in its assets as of March 31, 2019 and "new tenants" refers to tenants (by brand) added since 1 Apr'19

Chart 13: Select examples of key tenant expansions within Nexus portfolio from Mar 31, '19 to Dec 31, '22 (in '000sft)



Source: Company I-Sec Research

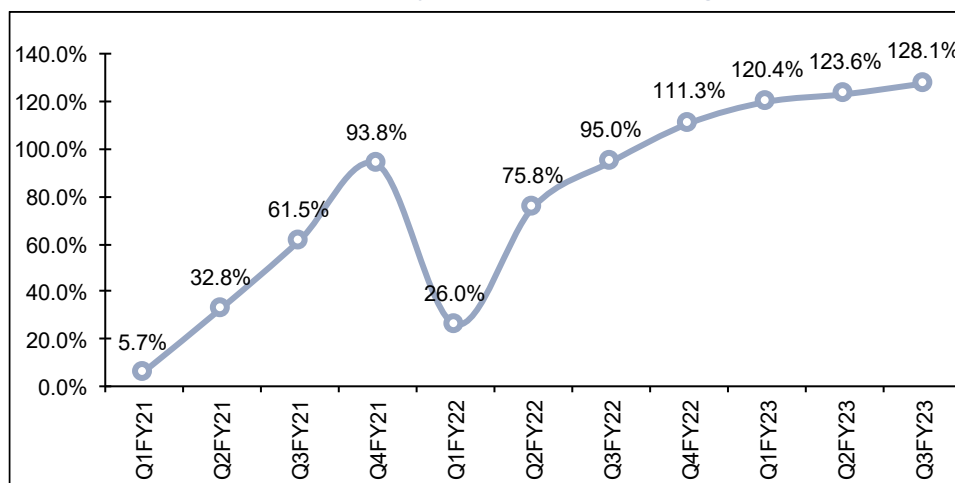
Resilient amid Covid-19 disruption

Prior to the impact of the Covid-19 pandemic, from FY18 to FY20, Nexus' average tenant sales grew at 11.0% CAGR (for 14 urban consumption centres in its portfolio that were operational on or before Mar 31, '17).

However, Covid-19 pandemic adversely impacted Nexus' business and results of operations in FY21 and FY22. During these two fiscal years, its urban consumption centres were affected by government-mandated lockdowns, social distancing measures and closure of multiplex, entertainment centres and F&B outlets. As a result, tenant sales and NOI in FY21 declined by 52.9% and 49.4%, respectively, as compared to FY20. Nexus engaged with its tenants to support them throughout the Covid-19 pandemic and demonstrated its resilience by showing strong signs of recovery in key performance metrics, with faster and stronger rates of recovery in performance with each reopening after successive rounds of government-mandated lockdowns.

As a result, Nexus' NOI in FY22 was 80.3% of pre-Covid-19 levels (as measured in FY20) and over FY20-9MFY23, it has leased 4.2msf, achieved average re-leasing spreads of 19.2% on approximately 2.9msf of re-leased space, and achieved committed occupancy of 96.2% as of Dec 31, '22. Further, Q3FY23 tenant sales recovered to 128.1% of pre-Covid levels (vs Q3FY20).

Chart 14: Tenant sales recovery (% vs corresponding quarter of FY20)

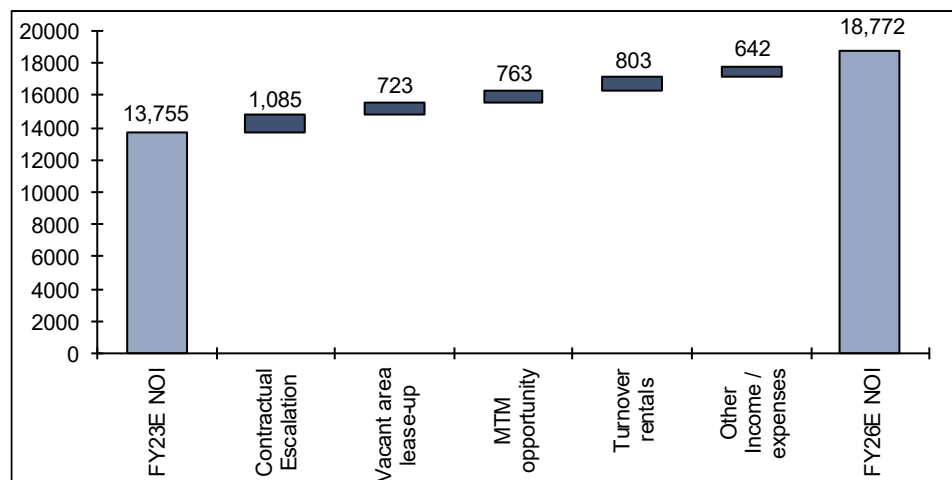


Source: Company, I-Sec Research

Strong NOI CAGR of 10.4% over FY23-26E

We expect Nexus REIT's NOI CAGR at 10.4% over FY23-26E based on the expected ramp up in occupancies in existing assets, annual rental escalations and mark-up of leases that are expiring. This excludes any injection of new assets.

Chart 15: NOI bridge over FY23-26E (Rs mn)



Source: I-Sec Research estimates

Contracted rental escalations offer 4-5% annual CAGR increase

Nexus typically enters into 3-9 -year leases for in-line tenants, 9-25-year leases for anchor tenants and 3-5-year leases for office tenants. Most of its tenant leases provide for minimum guaranteed rentals, as well as turnover rentals that allows it to capture incremental rents from tenant sales growth. As of Dec 31, '22, 95.5% of its tenant leases provide for minimum guaranteed rentals with typical contractual rent escalations of 12% to 15% over a period of 3-5 years. Its committed occupancy of 96.2% and 5.7-year WALE as of Dec 31, '22, together with leases featuring in-built contractual rent escalations provide strong cashflow stability to its portfolio.

Lease up of vacant space also offers upside potential

As of Dec 31, '22, Nexus' portfolio of urban consumption centres had vacant area of 0.3msf representing 3.8% of its total leasable area and its office assets had vacant area of 0.3msf. The vacant area is concentrated in Fiza by Nexus, Nexus Indore Central and Phase II of Nexus Ahmedabad One and is primarily due to the recently completed construction or transitional factors such as ongoing repositioning and strategic upgrades. Lease up of these vacant spaces over FY23-26E is estimated to contribute incremental NOI of Rs723mn over the same period.

Tenant sales-linked turnover rental upside

Nexus' portfolio is spread across 14 prominent cities in India. All of its urban consumption centres are located in densely populated catchments in prime locations of India's largest cities. As of Dec 31, '22, 88.3% of its leases had turnover rental arrangements and in FY22, 9.1% of its revenue from operations was from turnover rentals. From FY18 to FY20, Nexus achieved 11.0% CAGR in tenant sales (for the 14 urban consumption centres in its portfolio that were operational on or before Mar 31,

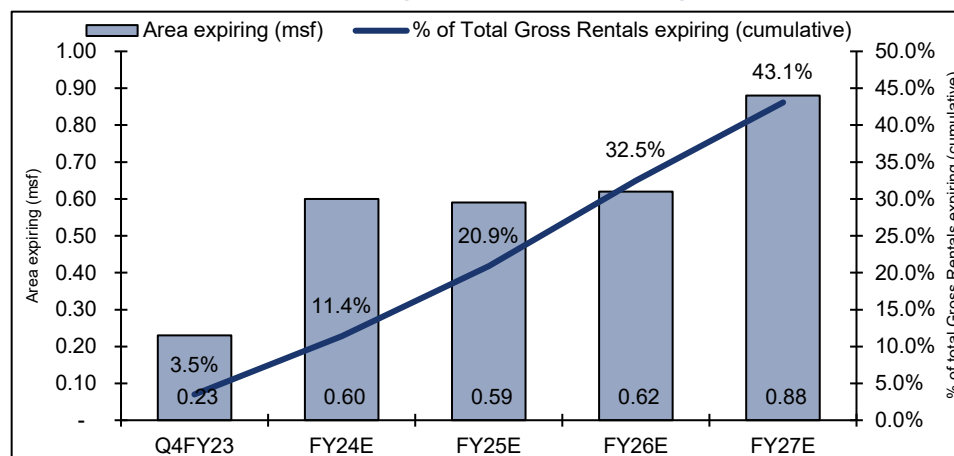
'17). We estimate that sustained consumption CAGR of 7-8% across Nexus' malls may contribute incremental NOI of Rs803mn over FY23-26E.

Mark-to-market opportunity at 21% higher rentals

Nexus has a strong track record of achieving additional rental growth once existing leases expire by (i) re-leasing space to tenants at market rents; (ii) right-sizing stores to maximise tenant sales per square foot; and (iii) introducing turnover rental arrangements and performance-linked covenants. It actively tracks upcoming vacancies and proactively engages with existing and prospective tenants in order to minimise downtime periods between successive leases.

As of Dec'22, REIT Manager estimates that lease expiries give it the opportunity to re-lease an additional 2.9msf across its portfolio with an average 20.8% mark-to-market potential for leases expiring from Q4FY23 until FY27.

Chart 16: Occupied area and gross rentals expiring across the portfolio



Source: Company, I-Sec Research

Valuation

REITs derive cashflow in the form of interest, debt repayment and dividend payments from owned assets that have differing cashflow profiles. Unlike assets in Infrastructure Trusts like toll/annuity roads or power transmission assets that have a fixed tenure of operations, the underlying assets in REITs which consist of offices, malls and hotels are perpetual in nature and carry an element of capital appreciation as well through escalation in rentals, addition of new assets and ramp up in occupancies.

Hence, the total return offered by a REIT should be measured as a mix of annual distributions and capital appreciation of the units of the REIT. Hence, we prefer a DCF based approach that captures the upside from uptick in rental income along with the annual distribution of at least 90% of net distributable cashflow (NDCF) to REIT unit holders.

Our key assumptions for Nexus REIT include:

- 7% consumption growth between FY23-FY29E at a portfolio level and 5-6% annual increase in rentals across assets between FY23-29E
- Cap rate of 7.5% on NOI of each asset
- Maximum stabilised long-term occupancy of 97% across assets
- WACC of 11% assuming 0.2x debt/equity

Initiate coverage with BUY rating

We initiate coverage on Nexus Select Trust (Nexus) REIT with BUY rating based on Mar'24E DCF based target price of Rs126/share. We expect the REIT to deliver NOI CAGR of 10.4% over FY23-26E. At CMP of Rs107, we expect Nexus REIT to deliver NDCF distribution yield of 7.1% in FY24E, 7.7% in FY25E and 8.2% in FY26E. We expect ~65-70% of distribution to be in the form of dividends/principal repayments that are tax free.

We believe upsides from mark-to-market opportunity, portfolio rental appreciation of 5-6% beyond FY26E and any value-accretive acquisitions may enable the REIT to deliver annual REIT unit capital appreciation of 6-7% over and above the distribution yield.

Table 3: Return profile of Nexus REIT*

Mindspace REIT Cash Flows	FY23E	FY24E	FY25E	FY26E
Revenue from Operations	19,527	21,424	22,915	24,464
Net Operating Income (NOI)	13,755	16,405	17,596	18,772
EBITDA	13,221	14,732	15,814	16,862
NDCF at REIT level*	NM	11,553	12,397	13,321
NDCF Distribution Payout (%)	100%	100%	100%	100%
NDCF Distribution by REIT*	NM	11,553	12,397	13,321
Distribution per Unit*	NM	7.6	8.2	8.8
Distribution Yield (%)*	NM	7.1	7.7	8.2
NDCF % Breakup				
Interest	NM	32.4%	31.2%	27.9%
Dividend	NM	44.8%	44.6%	48.9%
Principal Repayment	NM	22.8%	24.2%	23.2%
Total Distribution	NM	100.00%	100.00%	100.00%

Source: Isec research estimates, FY23E pro forma numbers, Nexus REIT listed on 19th May'23

Table 4: Table: Valuation of Nexus REIT

Enterprise Value (Rs mn)	226,189
Less: FY24E REIT level net debt (Rs mn)	35,492
Equity Value (Rs mn)	190,697
Equity Value per Unit (Rs)	126

Source: Isec research estimates

Table 5: Sensitivity of target price to cap rate and WACC

NAV	126	Cap Rate (%)				
		6%	7%	8%	9%	10%
WACC (%)	10%	162	141	125	112	102
	11%	155	134	119	107	97
	12%	147	128	113	102	92
	13%	141	122	108	97	88
	14%	134	116	103	92	84

Source: I-Sec research estimates

Unlike listed office REITs in India that have significant under construction and RoFO assets, Nexus REIT relies on organic NOI/NDCF growth through operational assets and third-party acquisitions, if any.

Table 6: Comparison of Nexus, Embassy and Mindspace REITs' financial metrics

All figures in Rs mn Details	Nexus REIT*				Embassy REIT				Mindspace REIT			
	FY22	FY23E^	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E
Area Details:												
Completed Area (msf)^	NM	11.1	11.1	11.1	33.8	34.3	35.8	38.6	24.2	25.8	26.0	26.0
Under Construction/Upcoming (msf)	NM	-	-	-	9.0	10.7	9.2	6.4	7.6	6.2	6.0	6.0
Total Area (msf)	NM	11.1	11.1	11.1	42.8	45.0	45.0	45.0	31.8	32.0	32.0	32.0
Financial Metrics:												
Revenue	NM	19,527	21,424	22,915	29,626	34,195	36,976	43,084	17,501	20,686	22,379	25,013
Net Operating Income (NOI)	NM	13,755	16,405	17,596	24,913	27,661	29,306	34,274	14,863	17,102	18,847	20,973
EBITDA	NM	13,221	14,732	15,814	22,981	25,444	27,225	31,648	13,649	15,376	16,270	18,472
PAT	NM	4,770	7,719	8,742	8,884	5,060	6,795	9,347	5,081	4,204	5,269	5,483
Net debt/equity (x)	NM	2.1	0.2	0.2	0.4	0.6	0.7	0.9	0.3	0.3	0.4	0.5
NDCF at REIT level	NM	NM	11,553	12,397	20,638	20,608	20,646	22,716	10,942	11,326	11,467	12,720
NDCF - Interest %	NM	NM	32.4%	31.2%	17.7%	14.1%	20.4%	22.5%	7.2%	8.3%	8.5%	9.3%
NDCF - Dividend %	NM	NM	44.8%	44.6%	45.3%	42.4%	43.6%	44.1%	92.8%	91.7%	91.5%	90.7%
NDCF - Principal repayment %	NM	NM	22.8%	24.2%	37.0%	43.5%	36.0%	33.4%	0.0%	0.0%	0.0%	0.0%
Distribution/Unit (Rs)	NM	NM	7.6	8.2	21.8#	21.7	21.8	24.0	18.5	19.1	19.2	21.5
CMP (Rs/Unit)	107	107	107	107	302	302	302	302	309	309	309	309
NDCF Yield (pre-tax)	NM	NM	7.1%	7.7%	7.2%	7.2%	7.2%	7.9%	6.0%	6.2%	6.2%	7.0%
Target Price/NAV (Rs/Unit)	126				403				364			

Source: Isec research estimates, *Nexus REIT includes 9.8msf gross retail area + 1.3msf of offices, ^Nexus has listed on 19 May'23 so all FY23E numbers are Isec estimates prior to REIT formation on pro forma basis

Nexus Malls vs Phoenix Mills

Nexus Select Trust and Phoenix Mills are the two largest mall owners + operators in India. While a comparison between the two is inevitable, we believe consumption growth, rental income/NOI growth and geographical diversification are the ideal metrics for comparison.

While Nexus's growth story thus far has been through the acquisition of third-party assets and their upgradation/expansion route, Phoenix Mills prefers to do greenfield and brownfield developments that involve land acquisition and construction of retail assets, pre-leasing them and finally opening new malls. Further, while Nexus REIT is a yield + underlying rental growth return story, Phoenix Mills is a listed company whose growth is driven by organic TL growth + building of new assets.

Table 7: Nexus REIT and Phoenix Mills' qualitative comparison

Details	Nexus REIT (Dec'22)	Phoenix Mills (Mar'23)
Operational Gross Retail Area (msf)	9.8	8.7
Number of Operational Malls	17	9
Total Area (msf)	9.8	32.0
Committed Occupancy (%)	96.2%	89.0%
Top 10 Tenants as % of Rentals	20.2%	NA
Upcoming Gross Retail Area (msf)	-	4.5

Source: Company, Isec research

Key risks

Uncertainties related to Covid-19

Nexus faces various risks and uncertainties related to public health crises, such as in case of the global outbreak of Covid-19. For example, in FY21 Nexus' revenue from leases decreased primarily due to Covid-related rental abatements given on minimum guaranteed rentals, decrease in turnover rentals driven by a net decrease in tenant sales, and tenant vacancies.

Fluctuations in interest rates

As REITs are yield instruments that have features of debt and equity with a long tenure, their returns are often benchmarked to G-Sec yields with expectations of 200-300bps additional IRR return over G-Secs. As assets held under the REIT may carry external debt at tSPV level and external debt at REIT level as well, any hardening of interest rates may lead to refinancing risk that may lead to fluctuations in the unit price of a REIT to reflect the increased return expectations of investors.

Dependence on investment manager to deliver expected returns

The investment manager for the REIT is entrusted with the responsibility of delivering the expected returns, management of macro risks and ensuring that incremental asset addition takes place at reasonable valuations. Any failure on the part of the investment manager to effectively manage these risks, could alter the expected return at the Trust level.

REIT structuring is not fully tax efficient

A part of Nexus' portfolio is held through a one-tier structure (pursuant to which the Nexus Select Trust has direct shareholding in certain SPVs and investment entity) and the remaining held through a two-tier structure (pursuant to which the Nexus Select Trust has direct shareholding in holdcos, which in turn hold certain SPVs) that may result in certain tax leakages on account of levy of minimum alternate tax on dividends received by holdcos from asset SPVs. While Nexus is taking steps to restructure its portfolio so that such assets can be directly owned by them, there is no assurance that Nexus shall be able to implement any restructuring in a cost-efficient manner, if at all.

Fall in occupancies or rent levels remains a key risk

Nexus derives a significant portion of its revenue from the leasing of space at its assets in 14 cities in India. The success of its business depends on its ability to maintain high occupancy levels, which affects the amount that it receives from leases based upon the amount of space it has leased. Nexus may be unable to maintain occupancy levels and receive rent at desired levels from its tenants due to a number of factors, including those that are beyond its control, such as prevailing economic, income and demographic conditions in the relevant submarkets, prevailing rental levels in submarkets where the assets are located, and changes in applicable regulatory schemes, including governmental policies relating to zoning and land use, among others. This may result in reduced tenant occupancy levels, causing tenants to cease operations or experience significant financial difficulties, and therefore, can cause the actual rents it receives for the properties in its portfolio to be less than estimated market rents for future leasing, which would adversely affect Nexus' business, results of operations and cashflow.

Tenant concentration risk

Nexus' revenues from operations are concentrated in a few large tenants and in a limited number of properties. Its gross rentals from its top ten tenants (by gross rental contribution) in aggregate amounted to 20.2% of Nexus' combined gross rentals for the month ended Dec 31, '22. Its top ten tenants (by occupied area) occupied 33.7% of its occupied area as of Dec 31, '22. Further, even if Nexus seeks to diversify its tenant base, its several tenants, while representing different brands and segments, may belong to one or more large conglomerates with wide ranging interests.

Termination of trademark licences

The brand 'Nexus' and 'Select' are owned by the Manager and Select Citywalk Retail Private Limited (assigned by SIPL), respectively, and are licensed to Nexus. Nexus' license to use the trademarks and logos may be terminated under certain circumstances and its ability to use the trademarks and logos may be impaired.

Relationships with various stakeholders

If Nexus is unable to maintain relationships with other stakeholders in its portfolio, its financial conditions and results of operation may be adversely affected. For instance, Nexus holds only a partial stake of the total leasable area of Fiza by Nexus, Nexus Shantiniketan and Nexus Koramangala. While Nexus is entitled to manage and operate the entire asset (including landowner portions) for specified periods of time as agreed to under such agreements, it requires the concurrence and cooperation of landowners on a number of operational matters.

Board of Directors of the Manager

Michael Holland: Michael Holland is an Independent Director of the Manager. He holds a master's degree in Property Development (Project Management) from the South Bank University, London, a bachelor's degree in Building Surveying from the Thames Polytechnic and is a fellow of the Royal Institution of Chartered Surveyors. He has over 23 years of work experience in commercial real estate sector in Asia and Europe. He has previously worked as the chief executive officer of Embassy Office Parks Management Services Private Limited (i.e., the manager of the Embassy Office Parks Real Estate Investment Trust) and the chief executive officer of Assetz Property Group. He founded JLW India/Jones Lang LaSalle India business and has served as its country manager and managing director from 1998 to 2002.

Sadashiv S. Rao: Sadashiv S. Rao is an Independent Director of the Manager. He holds a bachelor's degree in technology from the Indian Institute of Technology, Kanpur, and post graduate diploma in management from the Indian Institute of Management, Bangalore. He has over 25 years of work experience. He has previously worked with IDFC Limited as its chief risk officer. He was the founding chief executive officer of NIIF Infrastructure Finance Limited (formerly IDFC Infrastructure Finance Limited). He is currently a Director on the Board of YES Bank.

Alpana Parida: Alpana Parida is an Independent Director of the Manager. She holds a bachelor's degree in arts from the University of Delhi and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has over 20 years of work experience in retail, luxury, branding and design sectors. She is the founder and chief executive officer of Tiivra Ventures Private Limited. She has served as the managing director of DMA Yellow Works Limited. She has also been associated with Titan Industries.

Jayesh Merchant: Jayesh Merchant is an Independent Director of the Manager. He holds a bachelor's degree in commerce from the HR College of Commerce and Economics, University of Bombay and a bachelor's degree in law from the University of Mumbai. He is an associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has over 35 years of work experience. He has previously been associated with Castrol India as an assistant company secretary, Ion Exchange (India), where his last held position was group vice president-finance, UTV Software Communications and retired from Asian Paints with 17 years of experience, where his last held position was chief financial officer and company secretary, president – industrial JVs.

Tuhin Parikh: Tuhin Parikh is a non-Independent Director of the Manager. He holds a bachelor's degree in commerce from the Mumbai University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was a Director on the Board of TCG Urban Infrastructure Holdings from 2002 to 2007. He has been employed by Blackstone Advisors India Private since January 15, 2007 and is currently the senior managing director and head of real estate in India. He is a non-executive director on the Board of Embassy Office Parks Management Services Private (i.e., the manager of Embassy Office Parks Real Estate Investment Trust).

Asheesh Mohta: Asheesh Mohta is a non-Independent Director of the Manager. He holds a bachelor's degree in commerce from University of Calcutta and has completed a post graduate programme in management from the Indian School of Business, Hyderabad. He has been employed by Blackstone Advisors India Private since February

1, 2007 and is currently the senior managing director and head of real estate acquisitions in India.

Arjun Sharma: Arjun Sharma is a non-Independent Director of the Manager. He holds a bachelor's degree in commerce from the University of Delhi. He is the chairman and director of SIPL, CMD of Select Holiday Resorts Private and an independent director on the Board of Sandhar Technologies (a public listed company).

Key personnel of the Manager

Dalip Sehgal: Dalip Sehgal is a non-Independent Director and the Chief Executive Officer of the Manager. During his employment of over five years collectively with WRPL and the Manager, he has been involved in the management of the portfolio assets owned by the Sponsor Group since the acquisition by Nexus' Sponsor Group. He holds a bachelor's degree in arts and a master's degree in business administration from the University of Delhi. He has over four decades of work experience. He was the chief executive officer of WRPL from February 20, 2018 to April 1, 2022. He has previously been associated with inter alia, WRPL as its chief executive officer, Hindustan Lever as an executive director, Godrej Consumer Products, Godrej Hershey Foods & Beverage as its managing director & chief executive officer and Graviss Holdings Private (part of the Graviss Group which owns and manages food and beverage retail units and hotels in India) as its managing director.

Rajesh Deo: Rajesh Deo is the Chief Financial Officer of the Manager. During his employment for a period of approximately seven years collectively with WRPL and the Manager, he has been involved in the management of the Portfolio Assets owned by the Sponsor Group since the acquisition by Nexus' Sponsor Group. He holds a bachelor's degree in commerce from the Utkal University and has completed Indian School of Business and National University of Singapore's Business School's general management programme for Asia. He is an associate member of the Institute of Chartered Accountants of India. He has over 20 years of work experience. He has previously been associated with inter alia, WRPL, as its chief finance officer, Microsoft Corporation (India) Private as a controller and Nokia India Private as a business controller.

Functional heads of the Manager

Jayen Naik: Jayen Naik is the Chief Operations Officer of the Manager. During his employment of over six years collectively with RMPL (which has since merged with EDPL) and the Manager, he has been involved in the management of the portfolio assets owned by the Sponsor Group since the acquisition by Nexus' Sponsor Group. He holds a bachelor's degree in science from St. Xavier's College, Gujarat and a master's degree in business administration from BK School of Business Management, Gujarat. He has over two decades of work experience. He has previously been associated with inter alia, Adani Retail as head-operations, Aditya Birla Group as general manager-operations, Vadilal Industries as assistant manager-export division.

Nirzar Jain: Nirzar Jain is the Chief Leasing Officer of the Manager. During his employment of over six years collectively with WRPL and the Manager, he has been involved in the management of the portfolio assets owned by the Sponsor Group since the acquisition by Nexus' Sponsor Group. He holds a diploma in hotel management & catering technology from the National Council for Hotel Management and Catering Technology, New Delhi. He has completed a senior management programme from the

Indian Institute of Management, Calcutta. He has over 24 years of work experience and has been responsible for managing over 22 urban consumption centres during this time (mention period).

Nishank Joshi: Nishank Joshi is the Chief Marketing Officer of the Manager. During his employment of over six years collectively with WRPL and the Manager, he has been involved in the management of the portfolio assets owned by the Sponsor Group since the acquisition by Nexus' Sponsor Group. He holds a bachelor's degree in science from Ramnarain Ruia College, University of Mumbai, a diploma in journalism from Somaiya Institute of Journalism & Mass Communication, a diploma in advertising & public relations from Welingkar Institute of Management Development & Research and a master's degree in marketing management from the University of Mumbai. He has over 22 years of work experience.

Pratik Dantara: Pratik Dantara is the Head – Investor Relations and Strategy of the Manager. During his employment since Jan'23 with the Manager, he has been involved in the management of its portfolio assets owned by the Sponsor Group since the acquisition by Nexus' Sponsor Group. He holds a bachelor's degree in commerce from the University of Mumbai. He is also an associate member of the Institute of Chartered Accountants of India. He has over 15 years of experience. He has previously been associated with inter alia, SR Batliboi and Associates and Ernst & Young Private as manager – transactions tax team, Godrej Industries as deputy general manager – corporate strategy, Godrej Consumer Products as associate vice president – mergers & acquisitions and investor relations.

Key portfolio assets

1. Select Citywalk, Delhi

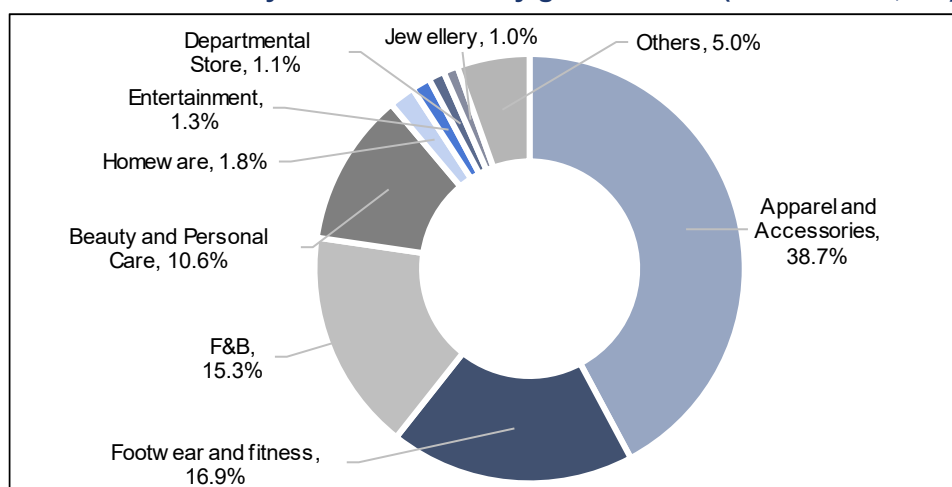
Select Citywalk is a Grade A urban consumption centre located at Saket in India's capital city, Delhi (Source: CBRE). Launched in 2007 and with total leasable area of 0.5msf, Select Citywalk is one of India's highest-performing assets based on tenant sales per square foot (Source: CBRE). Select Citywalk is located in an affluent residential catchment of South Delhi, one of India's wealthiest sub-markets, and has the highest tenant sales per square foot of any urban consumption centre in the country and enjoys the highest number of footfalls in the country for urban consumption centres with less than 0.5 msf of leasable area (Source: CBRE).

Table 8: Select Citywalk – key asset information

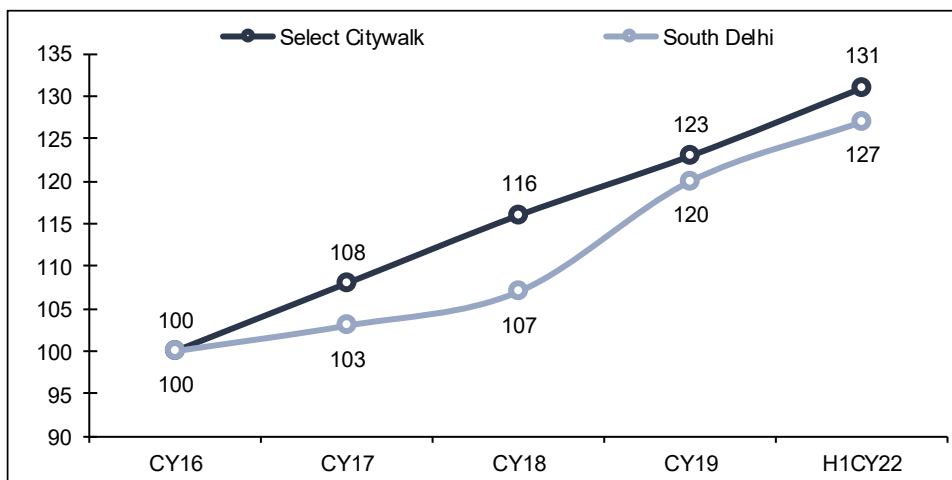
Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Select Infrastructure Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2007
Asset Type	Urban Consumption Centre
Micromarket	South Delhi
Land title	Freehold
Leasable Area (msf)	0.5
Committed Occupancy (%)	98.8%
Number of stores	226

Source: Company, I-Sec research

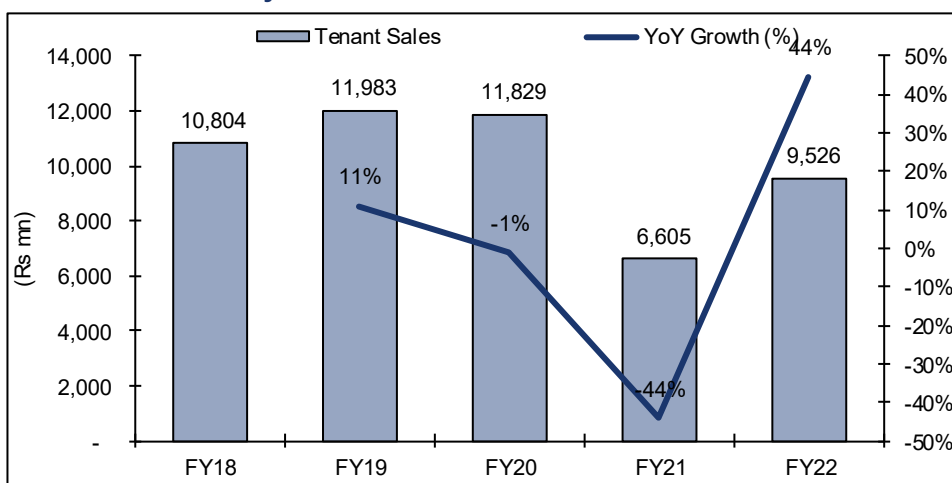
Chart 17: Select Citywalk tenant mix by gross rentals (as of Dec 31, '22)



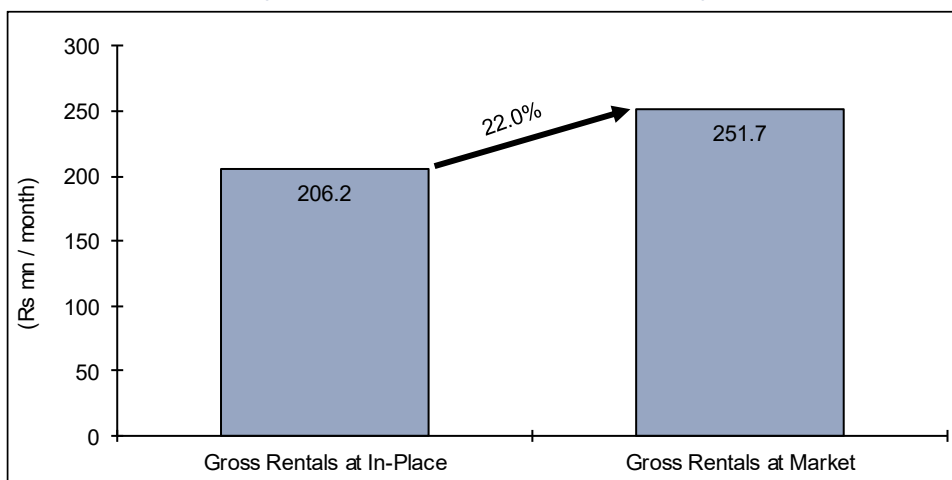
Source: Company, I-Sec research

Chart 18: Select Citywalk historical marginal rent growth vs sub-market (CY16-H1CY22)

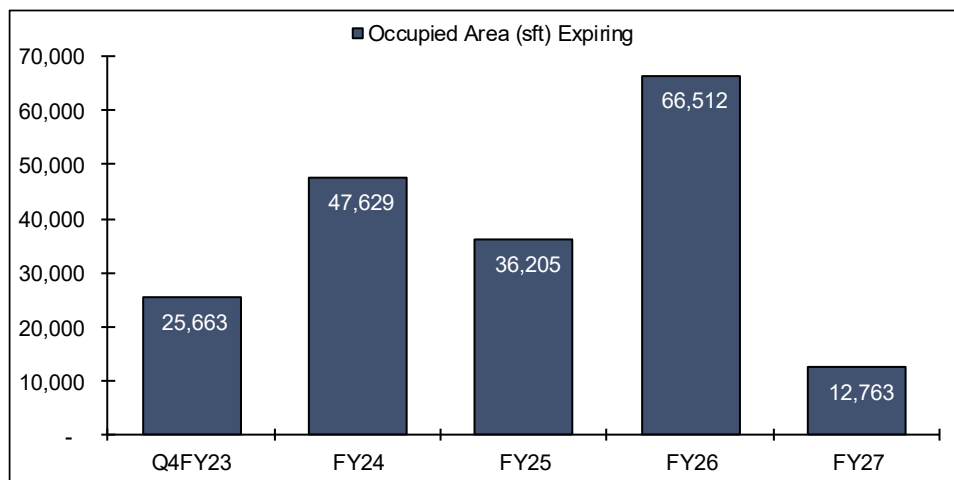
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 19: Select Citywalk tenant sales trend

Source: Company, I-Sec research

Chart 20: Select Citywalk mark-to-market opportunity

Source: Company, I-Sec research

Chart 21: Select Citywalk area expiry schedule

Source: Company, I-Sec research

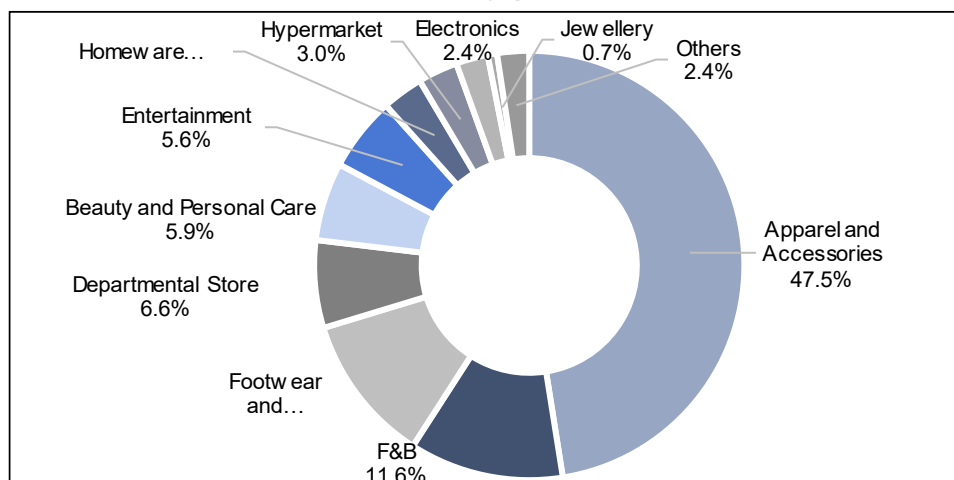
2. Nexus Elante Complex, Chandigarh

Nexus Elante Complex is an integrated mixed-use asset located in Chandigarh, the capital of Punjab and Haryana. It consists of a 1.2 msf Grade A urban consumption centre, a 211-key Hyatt Regency Chandigarh hotel and a 0.1msf Elante Office. Nexus Elante is the largest urban consumption centre in Chandigarh region and among the ten largest urban consumption centres in India (Source: CBRE).

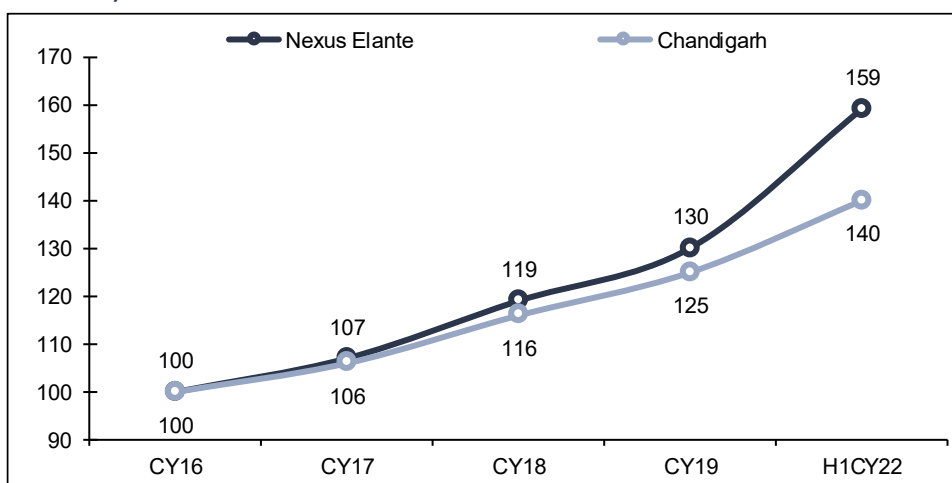
Table 9: Nexus Elante Complex – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	CSJ Infrastructure Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2013
Asset Type	Urban Consumption Centre + Office + Hotel
Micromarket	Chandigarh
Land title	Freehold
Leasable Area (msf)	1.2msf
Committed Occupancy (%)	99.4%
Number of stores	302

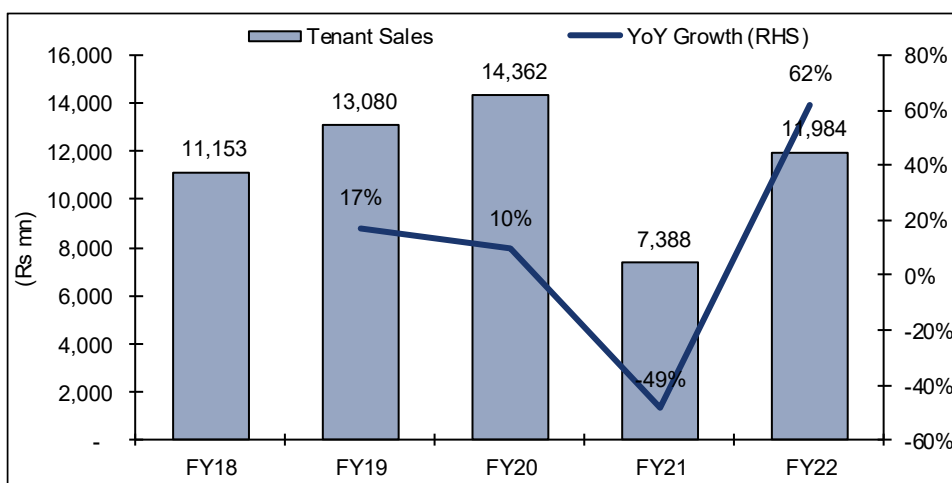
Source: Company, I-Sec research

Chart 22: Nexus Elante tenant mix by gross rentals (as of Dec 31, '22)

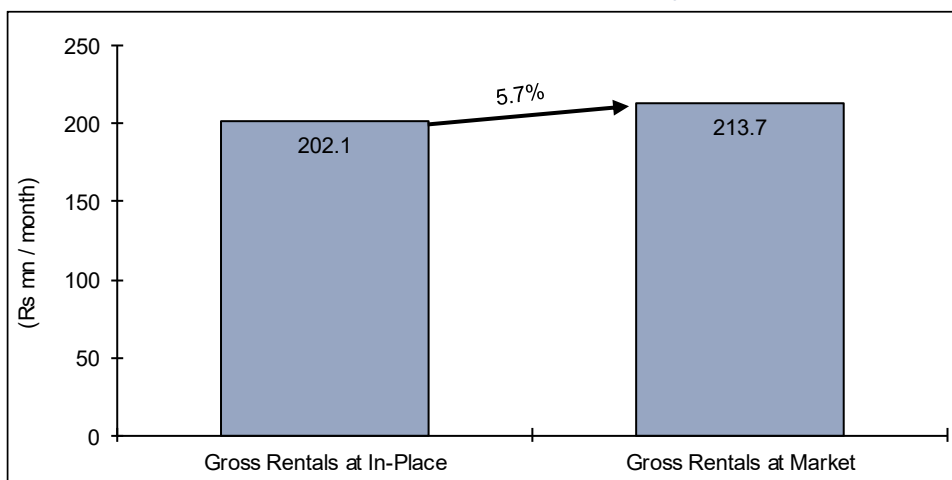
Source: Company, I-Sec research

Chart 23: Nexus Elante historical marginal rent growth vs sub-market (CY16-H1CY22)

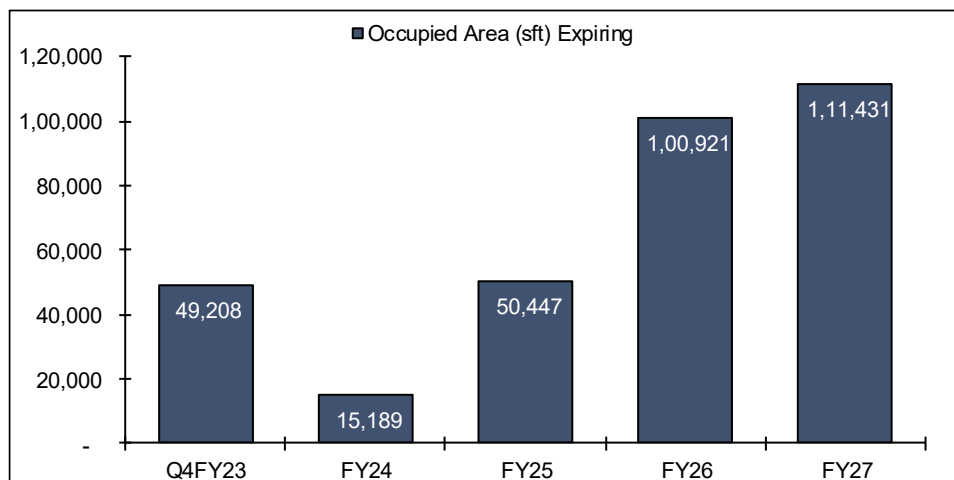
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 24: Nexus Elante tenant sales trend

Source: Company, I-Sec research

Chart 25: Nexus Elante mark-to-market opportunity

Source: Company, I-Sec research

Chart 26: Nexus Elante area expiry schedule

Source: Company, I-Sec research

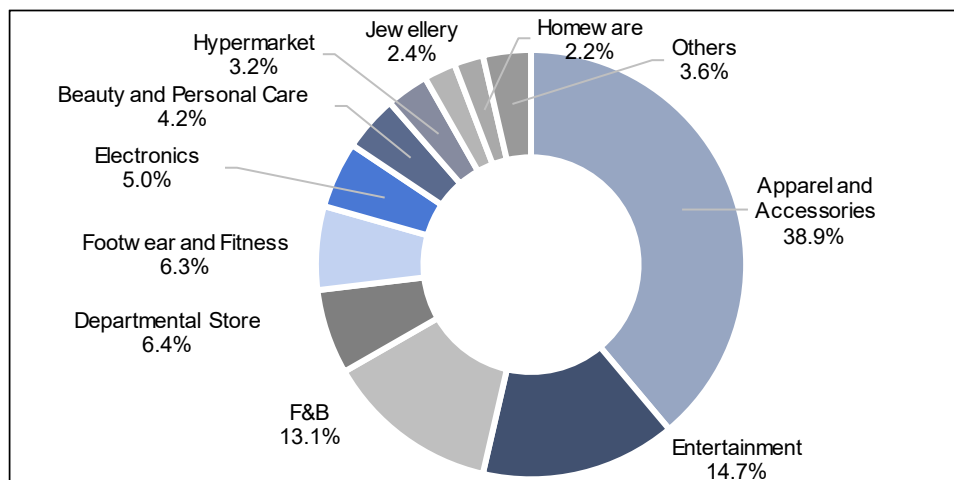
3. Nexus Seawoods, Navi Mumbai

Nexus Seawoods spans across 1.0msf of leasable area and has the distinction of being one of the largest transit-oriented development in India, enjoying direct access to Seawoods Railway Station, a prominent Mumbai suburban train station with eight million daily commuters (Source: CBRE). Nexus Seawoods is a holistic shopping and entertainment destination with a wide range of 290 brands, a 1,200-seater food court and a dedicated 0.2 msf F&B and entertainment zone called AIRSPACE, comprising Mumbai's largest indoor amusement park (Source: CBRE), 15 restaurants and a multiplex.

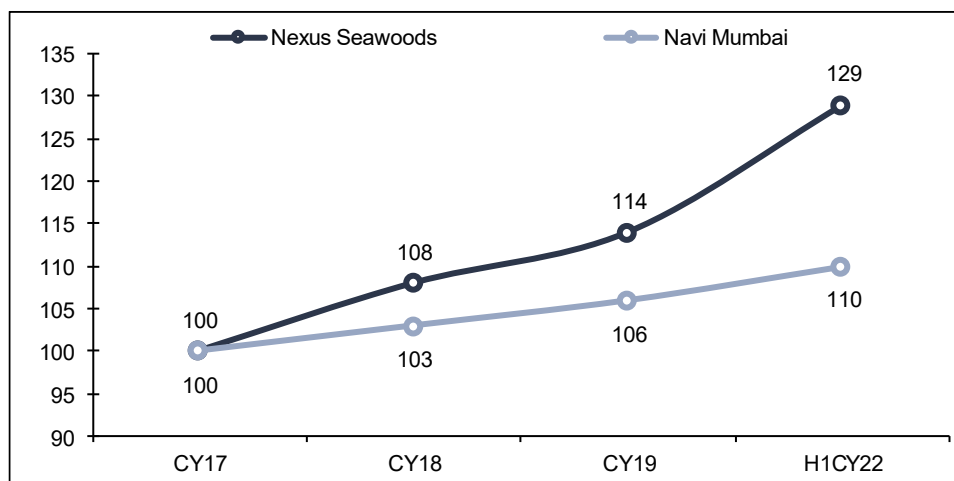
Table 10: Nexus Seawoods – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Westerly Retail Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2016
Asset Type	Urban Consumption Centre
Micromarket	Navi Mumbai
Land title	Leasehold
Leasable Area (msf)	1.0
Committed Occupancy (%)	99.0%
Number of stores	329

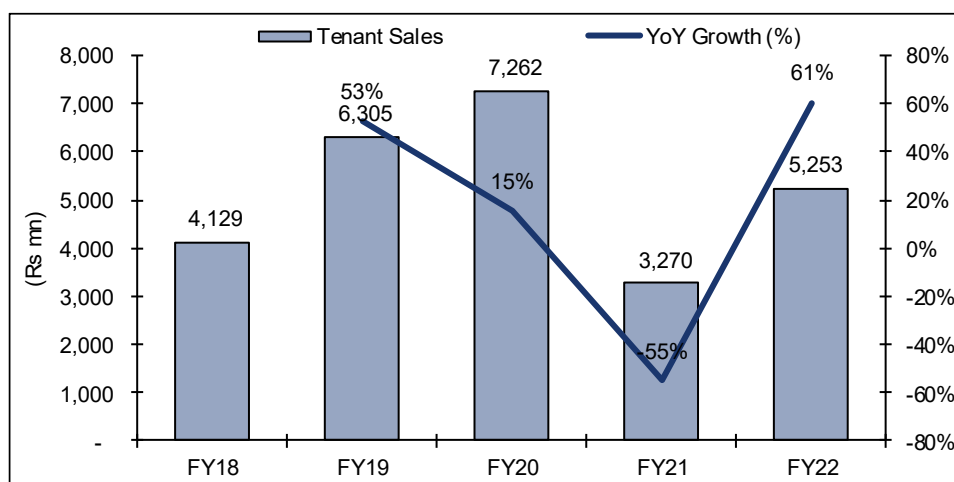
Source: Company, I-Sec research

Chart 27: Nexus Seawoods tenant mix by gross rentals (as of Dec 31, '22)

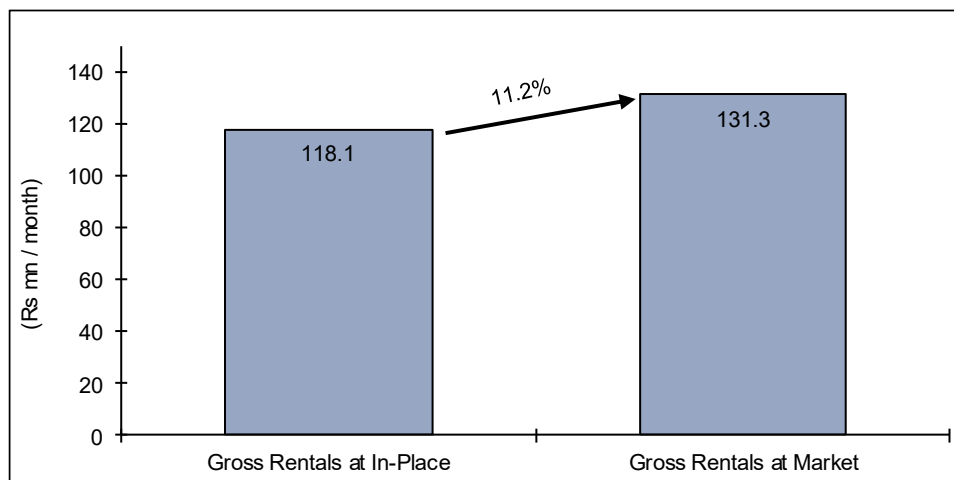
Source: Company, I-Sec research

Chart 28: Nexus Seawoods historical marginal rent growth vs sub-market (CY17-H1CY22)

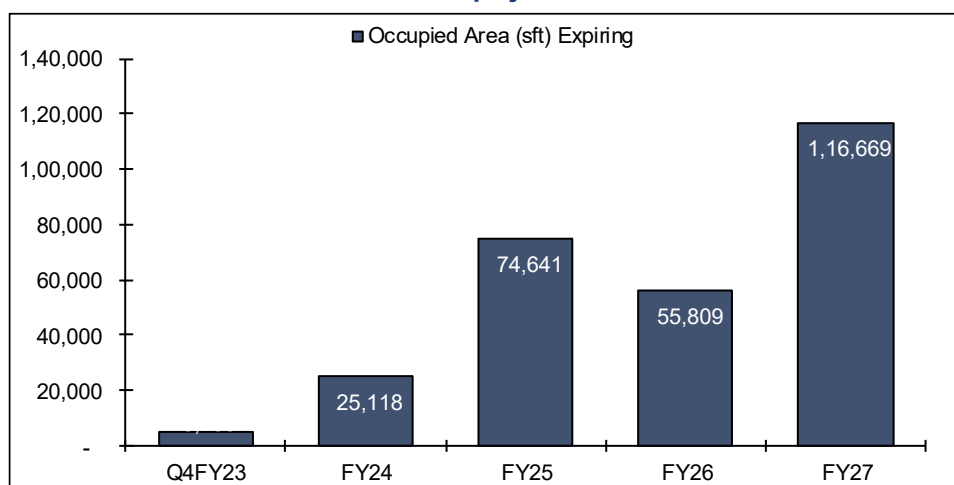
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY17 as the base year; for like-to-like assets operational since CY17

Chart 29: Nexus Seawoods tenant sales trend

Source: Company, I-Sec research

Chart 30: Nexus Seawoods mark-to-market opportunity

Source: Company, I-Sec research

Chart 31: Nexus Seawoods area expiry schedule

Source: Company, I-Sec research

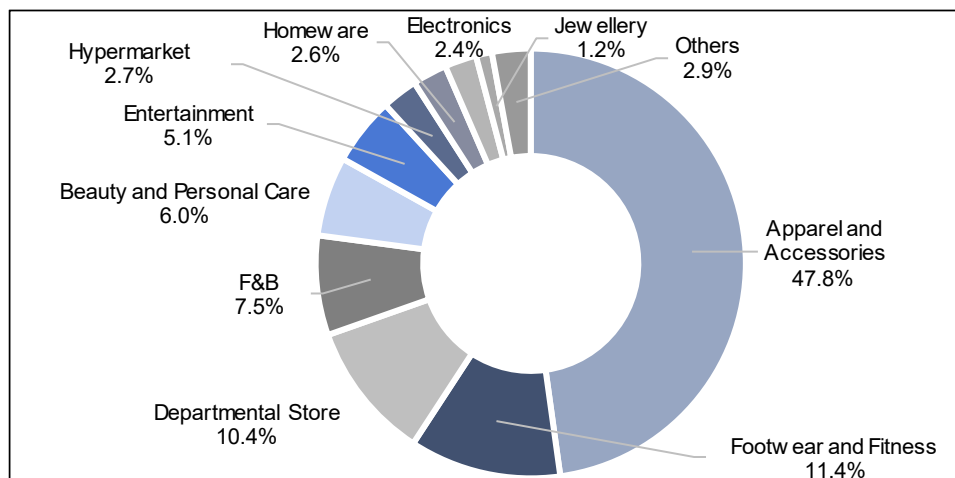
4. Nexus Ahmedabad One, Ahmedabad

Nexus Ahmedabad One is a Grade A property that is the largest urban consumption centre in Gujarat (Source: CBRE) with total leasable area of 0.9msf spread over a site of 7.04 acres of leasehold land as of Dec 31, '22. Ahmedabad is the largest city in India's western state of Gujarat and the seventh largest city in India with a population of over 8.2mn as of 2021 (Source: CBRE).

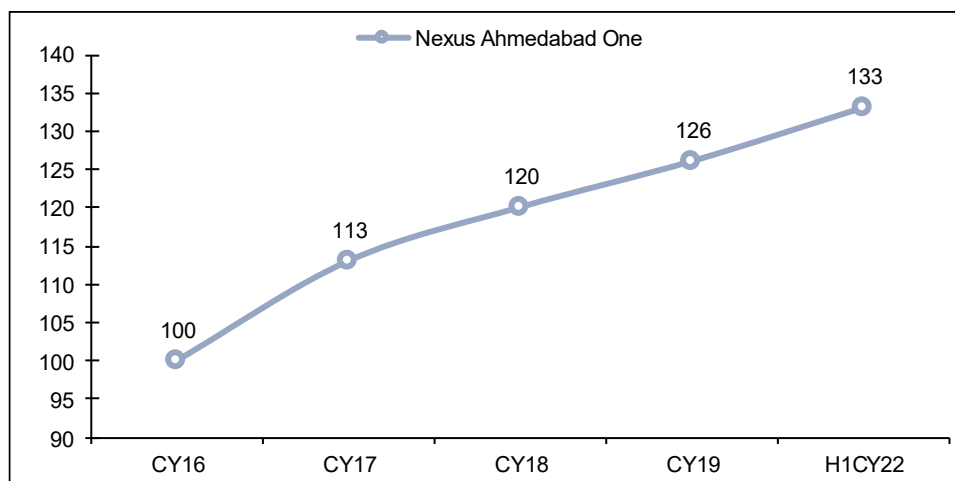
Table 11: Nexus Ahmedabad One – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Euthoria Developers Private Limited
Interest owned by REIT	99.45%
Year of Commencement	2011
Asset Type	Urban Consumption Centre
Micromarket	Ahmedabad
Land title	Leasehold
Leasable Area (msf)	0.9
Committed Occupancy (%)	96.4%
Number of stores	248

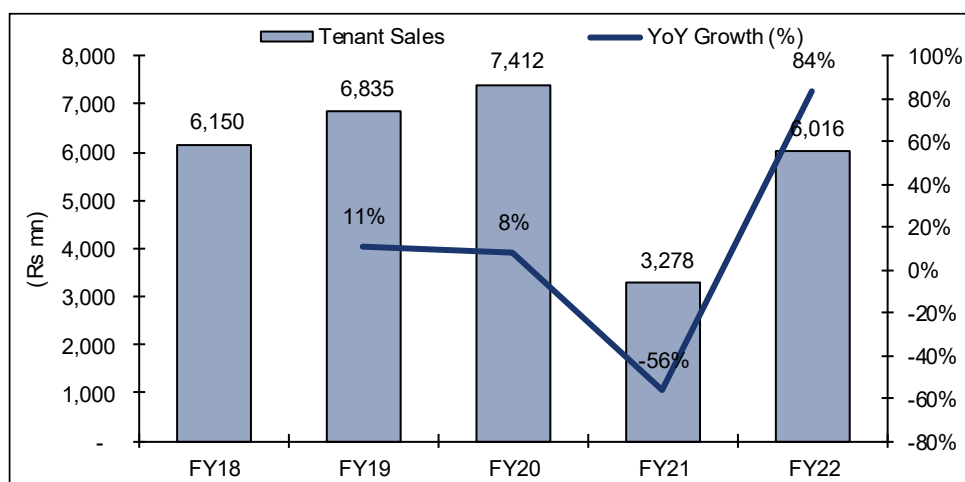
Source: Company, I-Sec research

Chart 32: Nexus Ahmedabad One tenant mix by gross rentals (as of Dec 31, '22)

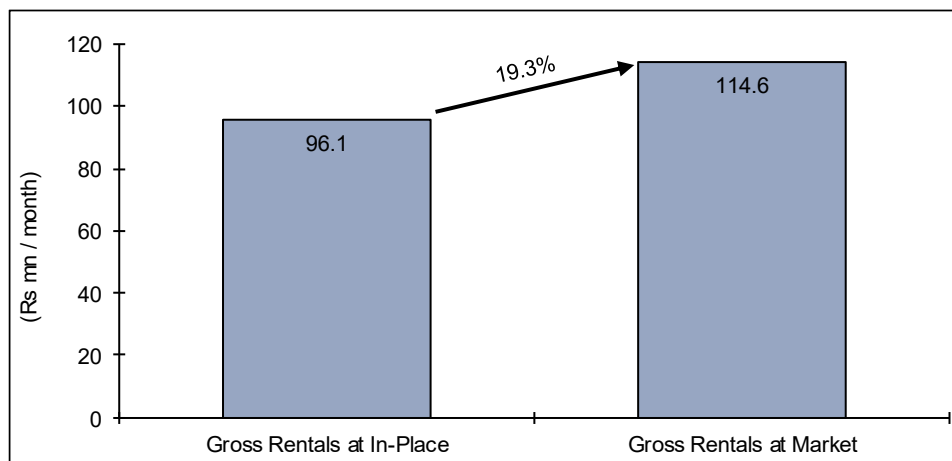
Source: Company, I-Sec research

Chart 33: Nexus Ahmedabad One historical marginal rent growth (CY16-H1CY22)

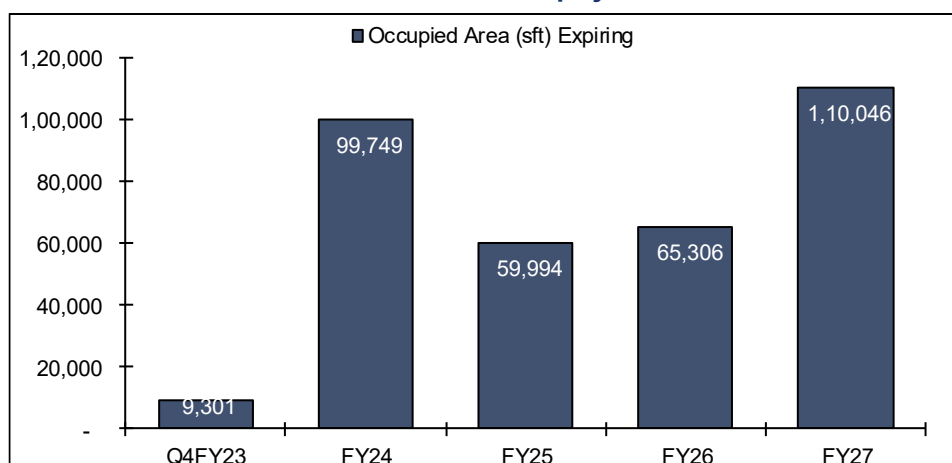
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset rebased to 100 with CY16 as the base year

Chart 34: Nexus Ahmedabad One tenant sales trend

Source: Company, I-Sec research

Chart 35: Nexus Ahmedabad One mark-to-market opportunity

Source: Company, I-Sec research

Chart 36: Nexus Ahmedabad One area expiry schedule

Source: Company, I-Sec research

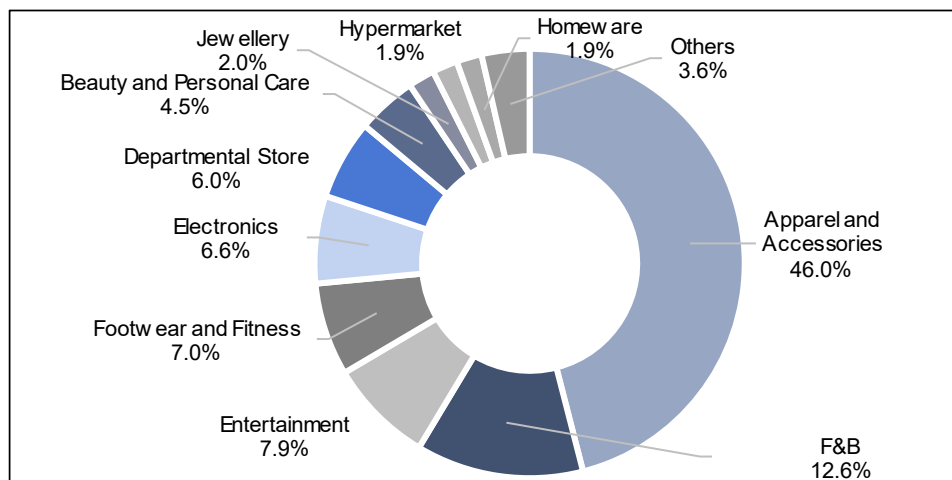
5. Nexus Hyderabad, Hyderabad

Nexus Hyderabad is a Grade A urban consumption centre that opened in 2014 as one of the first few urban consumption centres in Hyderabad (Source: CBRE). The asset spans over a total leasable area of 0.8msf spread across 5.72 acres land. It is situated in Kukatpally, one of the most prominent residential catchments and education hubs of Hyderabad (Source: CBRE). This urban consumption centre also falls within five kilometers from Hi-Tech City, which is the epicentre of the IT industry in Hyderabad with offices of prominent global IT companies (Source: CBRE).

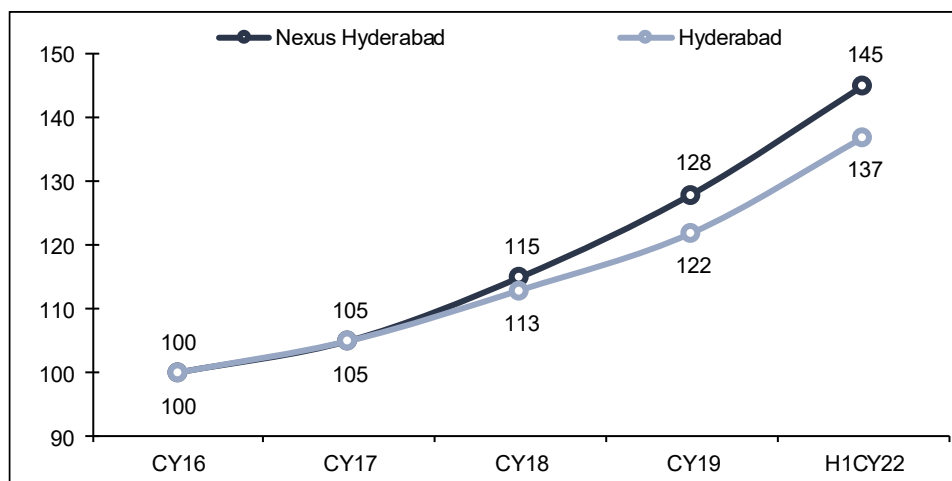
Table 12: Nexus Hyderabad – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Nexus Hyderabad Retail Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2014
Asset Type	Urban Consumption Centre
Micromarket	West Hyderabad
Land title	Freehold
Leasable Area (msf)	0.8
Committed Occupancy (%)	98.8%
Number of stores	207

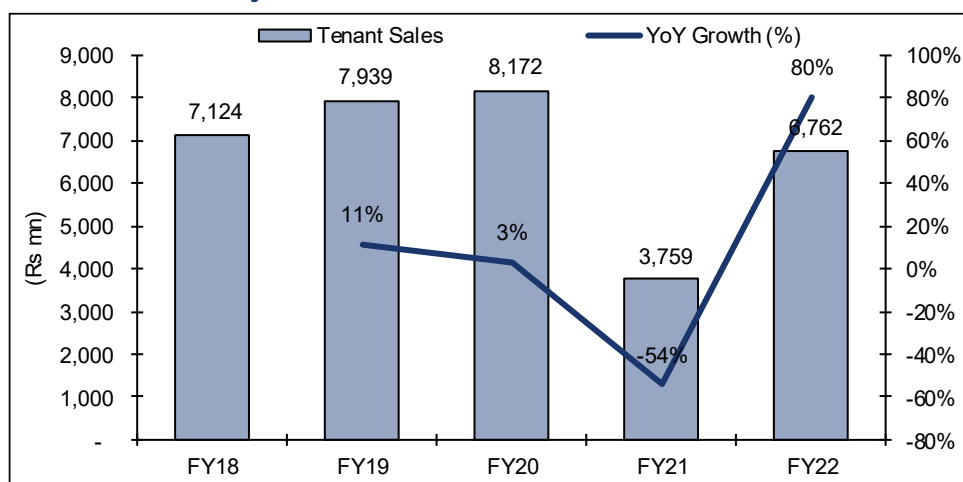
Source: Company, I-Sec research

Chart 37: Nexus Hyderabad tenant mix by gross rentals (as of Dec 31, '22)

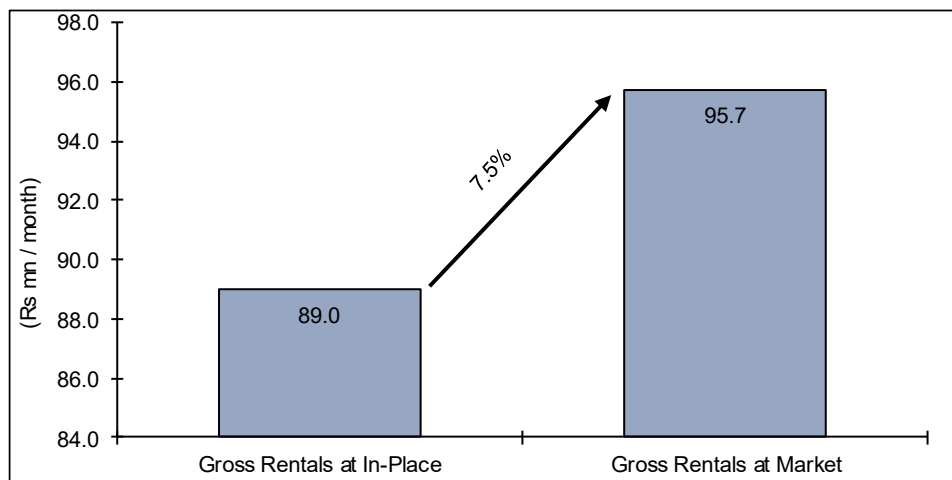
Source: Company, I-Sec research

Chart 38: Nexus Hyderabad historical marginal rent growth vs sub-market (CY16-H1CY22)

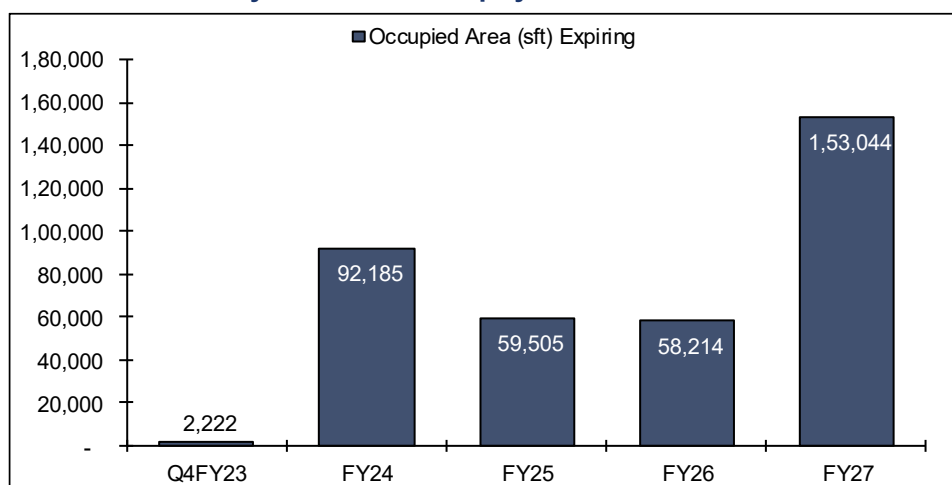
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 39: Nexus Hyderabad tenant sales trend

Source: Company, I-Sec research

Chart 40: Nexus Hyderabad mark-to-market opportunity

Source: Company, I-Sec research

Chart 41: Nexus Hyderabad area expiry schedule

Source: Company, I-Sec research

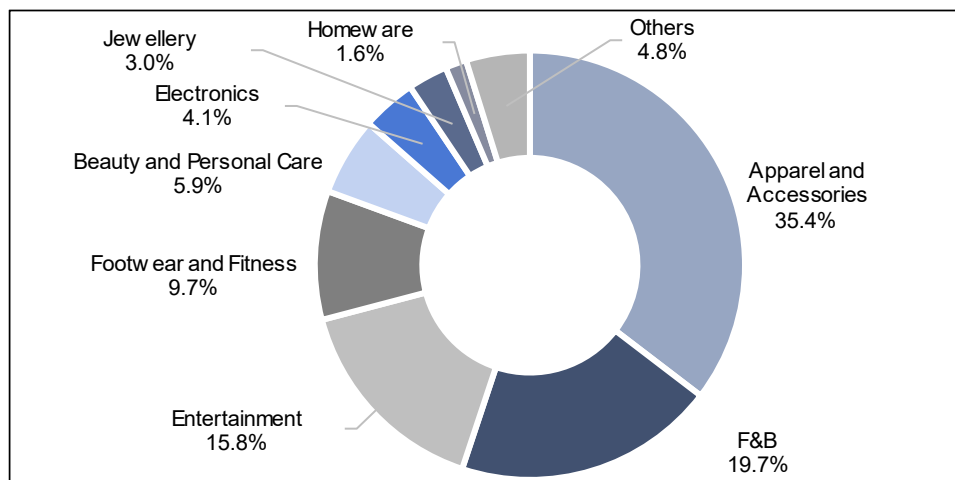
6. Nexus Koramangala, Bengaluru

Nexus Koramangala is an asset launched in 2004 as the first urban consumption centre in Southern India (Source: CBRE). The urban consumption centre is located in city-centre Bengaluru, Koramangala, close to affluent residential catchments and the IT hub of India (Source: CBRE). As of Dec 31, '22, Nexus Koramangala offers 0.3msf of total leasable area spread over 4.37 acres of land.

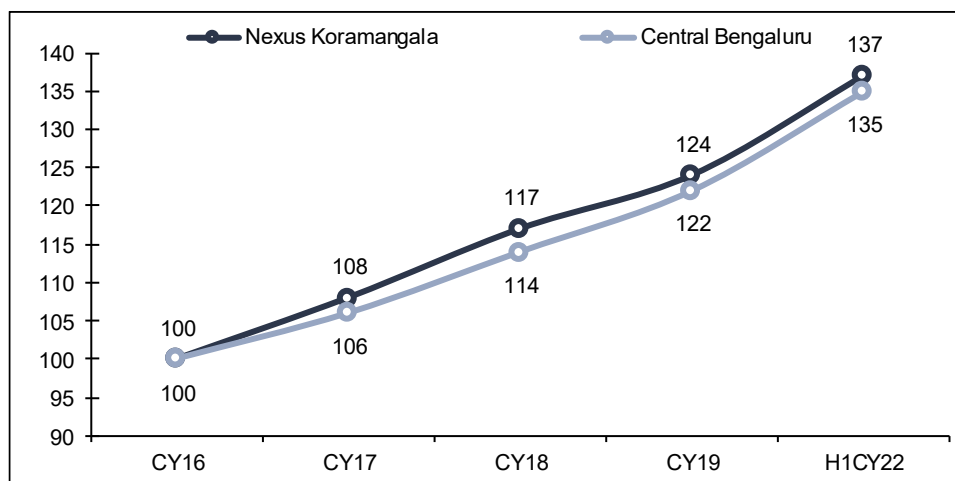
Table 13: Nexus Koramangala – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Nexus Hyderabad Retail Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2004
Asset Type	Urban Consumption Centre
Micromarket	Central Bengaluru
Land title	Freehold
Leasable Area (msf)	0.3
Committed Occupancy (%)	97.8%
Number of stores	119

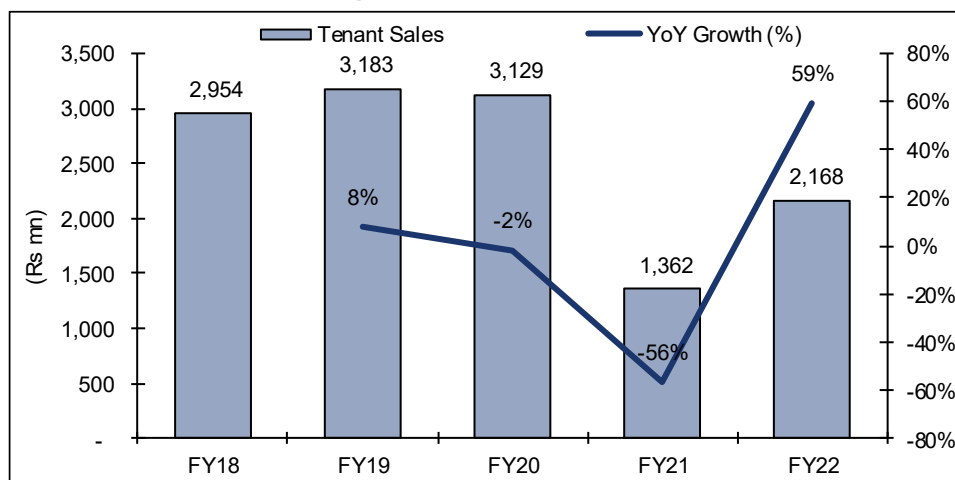
Source: Company, I-Sec research

Chart 42: Nexus Koramangala tenant mix by gross rentals (as of Dec 31, '22)

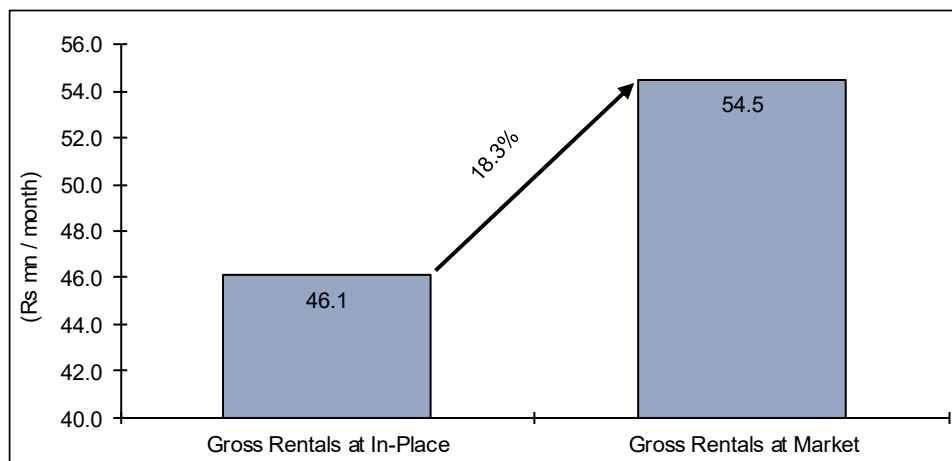
Source: Company, I-Sec research

Chart 43: Nexus Koramangala historical marginal rent growth vs sub-market (CY16-H1CY22)

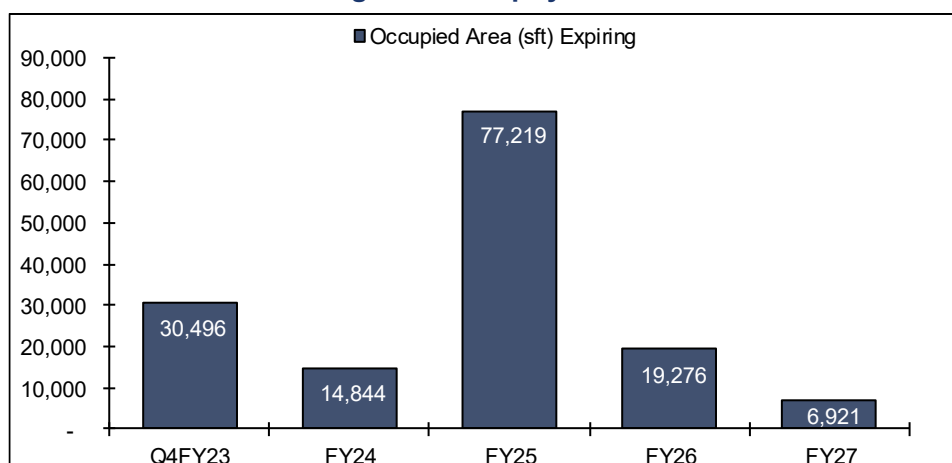
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 44: Nexus Koramangala tenant sales trend

Source: Company, I-Sec research

Chart 45: Nexus Koramangala mark-to-market opportunity

Source: Company, I-Sec research

Chart 46: Nexus Koramangala area expiry schedule

Source: Company, I-Sec research

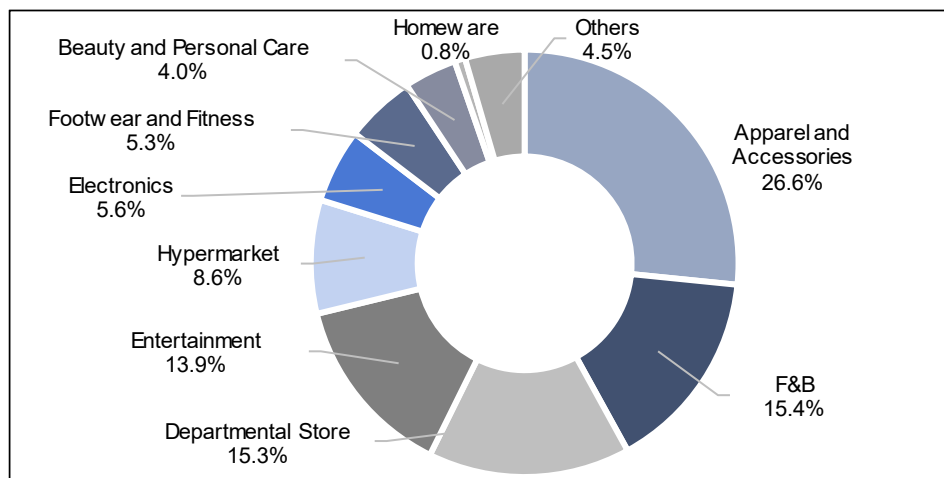
7. Nexus Vijaya, Chennai

Nexus Vijaya Complex comprises 0.7msf Grade A urban consumption centre and 0.2msf office area. Launched in 2013, Nexus Vijaya is strategically located close to a metro station in Vadapalani, an affluent sub-market in city-centre of Chennai (Source: CBRE). Vijaya Office has tenants such as Isuzu Motors India Private, Comodo Certauth India Services Private and Medusind Solutions India. It is located in a densely populated neighbourhood lined by several film studios, residential catchments and office parks (Source: CBRE).

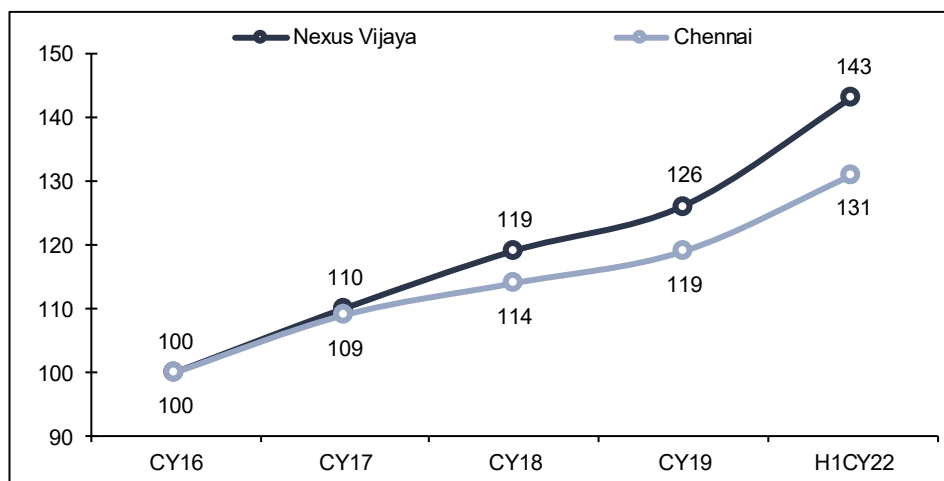
Table 14: Nexus Vijaya – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Vijaya Productions Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2013
Asset Type	Urban Consumption Centre
Micromarket	West Chennai
Land title	Freehold
Leasable Area (msf)	0.7
Committed Occupancy (%)	99.4%
Number of stores	155

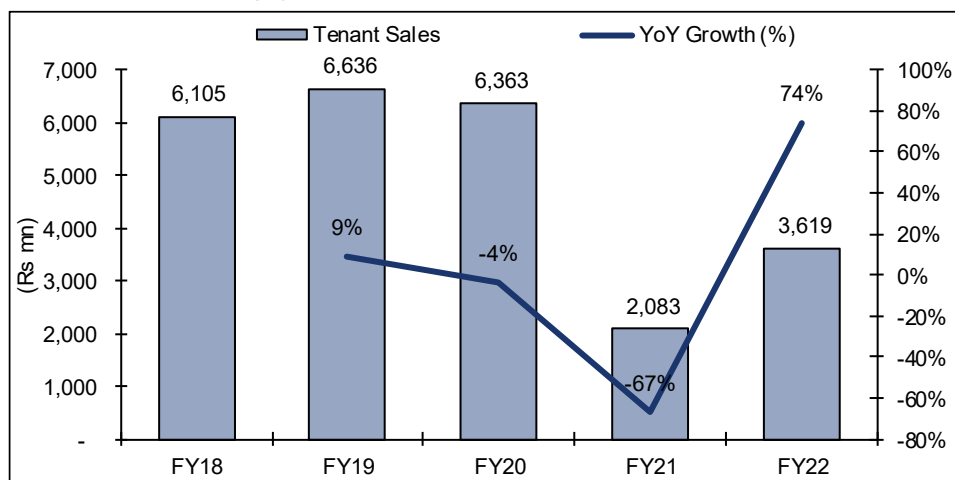
Source: Company, I-Sec research

Chart 47: Nexus Vijaya tenant mix by gross rentals (as of Dec 31, '22)

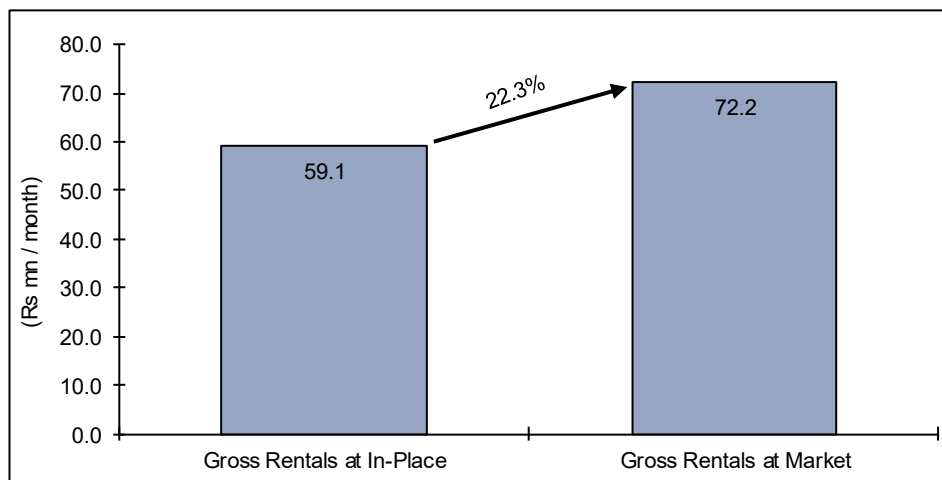
Source: Company, I-Sec research

Chart 48: Nexus Vijaya historical marginal rent growth vs sub-market (CY16-H1CY22)

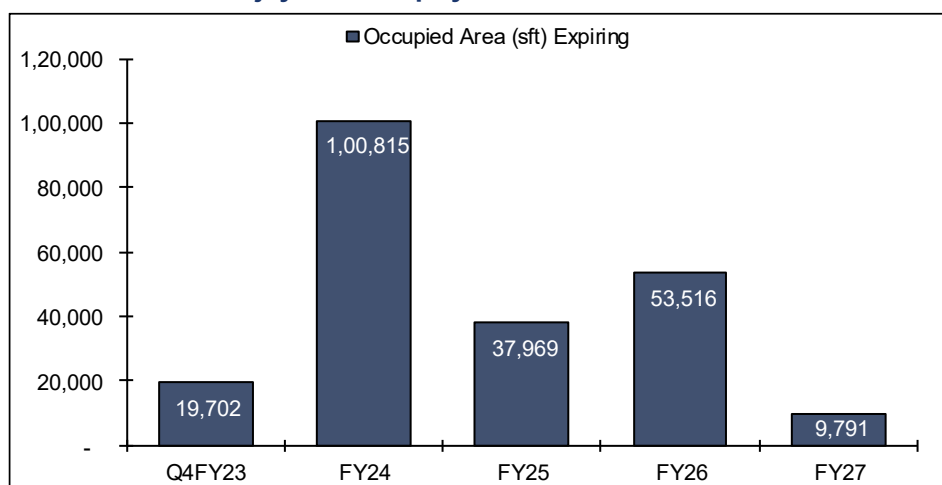
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 49: Nexus Vijaya tenant sales trend

Source: Company, I-Sec research

Chart 50: Nexus Vijaya mark-to-market opportunity

Source: Company, I-Sec research

Chart 51: Nexus Vijaya area expiry schedule

Source: Company, I-Sec research

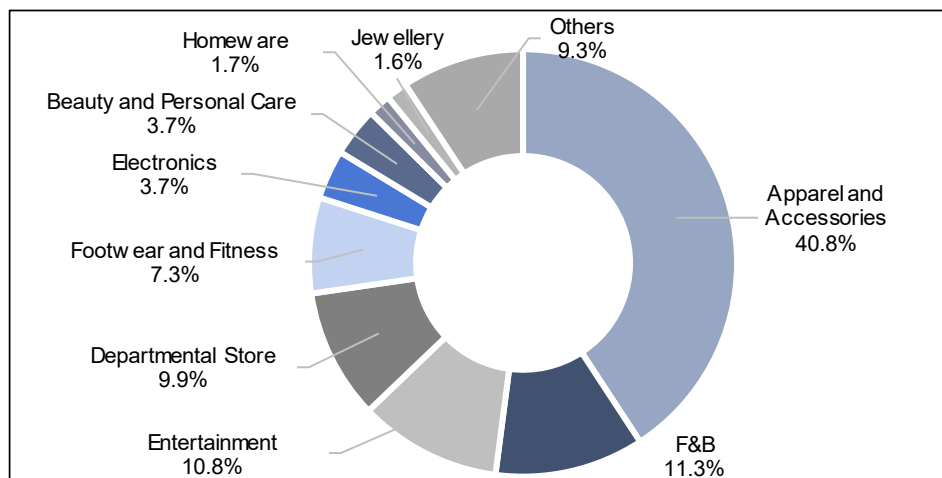
8. Nexus Westend, Pune

Nexus Westend Complex is a Grade A, freehold property located in Pune's upscale, affluent neighbourhood Aundh (Source: CBRE). The complex comprises 0.4msf Grade A urban consumption centre (Source: CBRE), Nexus Westend and adjoining 1.0msf of Grade A Westend Icon Offices. Having launched operations in 2016 and spread over 4.20 acres of land, Nexus Westend is surrounded by a dense residential catchment (Source: CBRE).

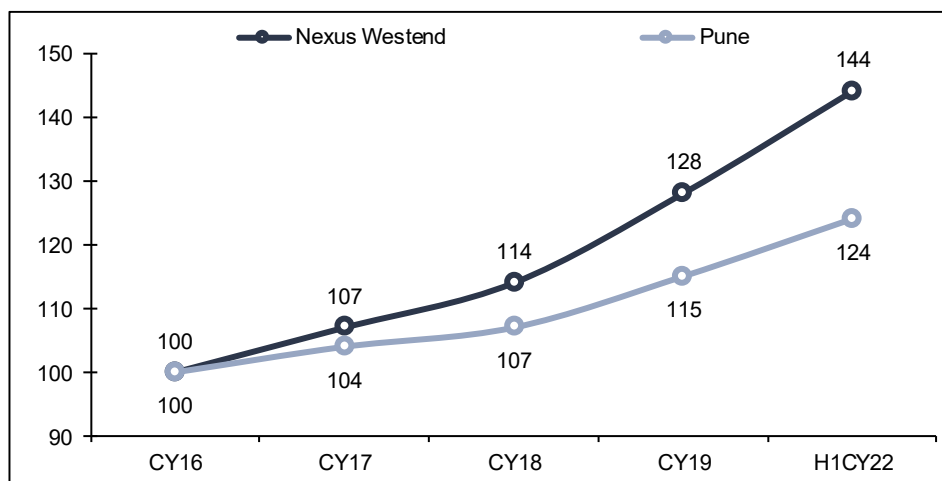
Table 15: Nexus Westend – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Chitrali Properties Private Limited and Daksha Infrastructure Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2015
Asset Type	Urban Consumption Centre + Office
Micromarket	West Pune
Land title	Freehold
Leasable Area (msf)	0.4
Committed Occupancy (%)	95.9%
Number of stores	146

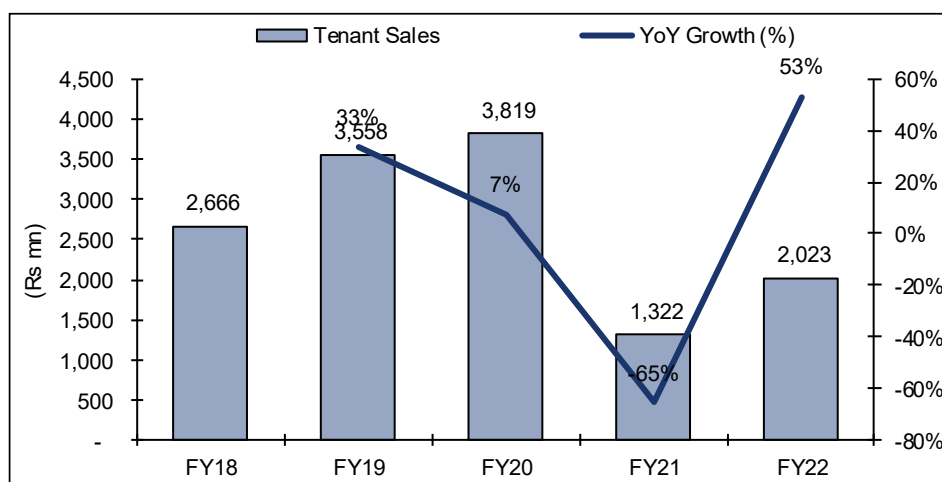
Source: Company, I-Sec research

Chart 52: Nexus Westend tenant mix by gross rentals (as of Dec 31, '22)

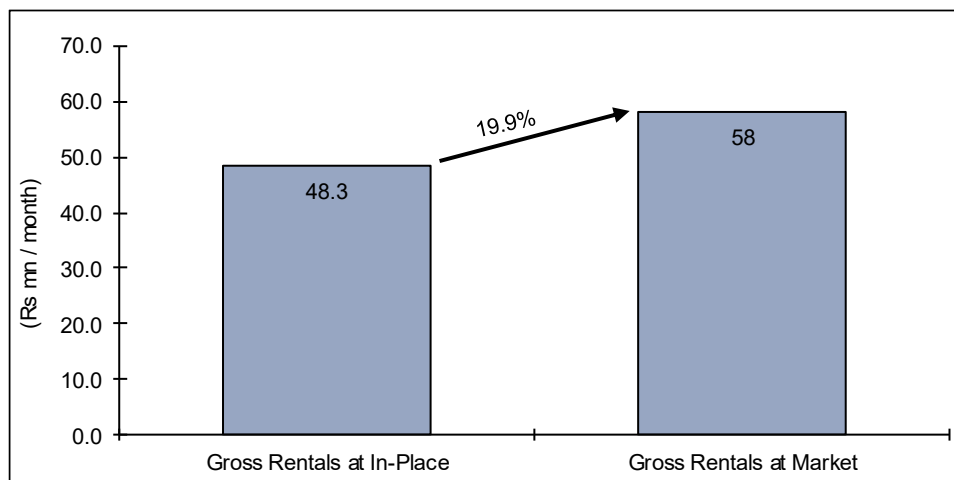
Source: Company, I-Sec research

Chart 53: Nexus Westend historical marginal rent growth vs sub-market (CY16-H1CY22)

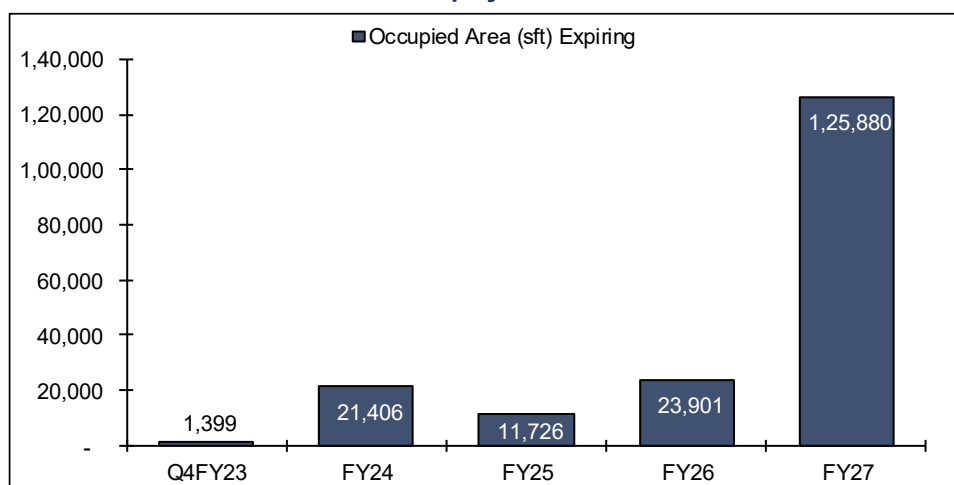
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 54: Nexus Westend tenant sales trend

Source: Company, I-Sec research

Chart 55: Nexus Westend mark-to-market opportunity

Source: Company, I-Sec research

Chart 56: Nexus Westend area expiry schedule

Source: Company, I-Sec research

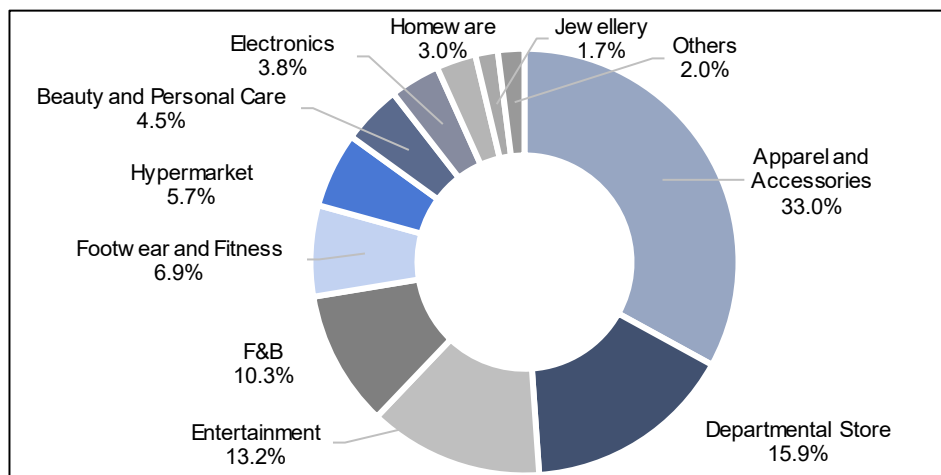
9. Nexus Esplanade, Bhubhaneshwar

Nexus Esplanade is a Grade A urban consumption centre located in Bhubaneswar, which is the capital city of Odisha and is considered one of modern India's first planned cities (Source: CBRE). The city has a population of 1.2mn as of 2021 with favourable demographics in terms of a sizable share of working population and growing urban population (Source: CBRE). Launched in 2018, with total leasable area of 0.4msf spread over 5.06 acres, Nexus Esplanade is the first sizeable urban consumption centre in Odisha (Source: CBRE). Nexus Esplanade is situated in a prominent location in the Rasulgarh area, which is well connected to the national highway (Source: CBRE).

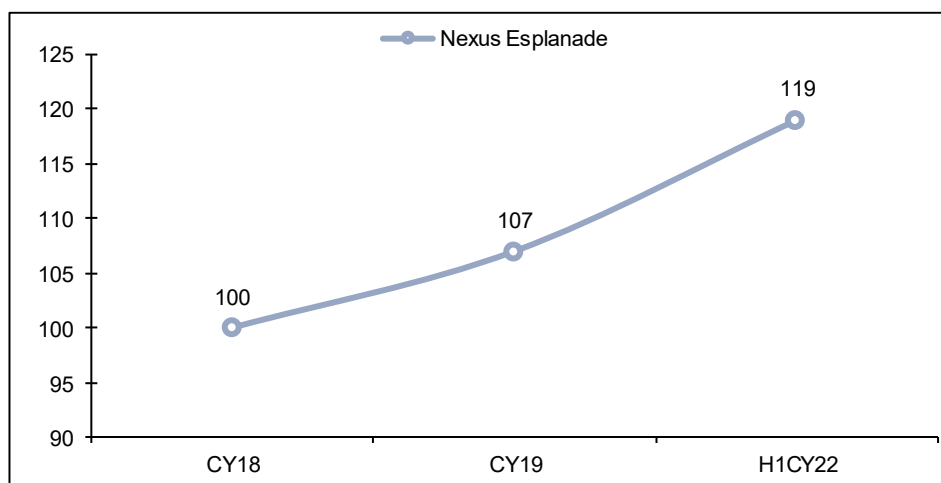
Table 16: Nexus Esplanade – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Safari Retreats Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2018
Asset Type	Urban Consumption Centre
Micromarket	Bhubhaneshwar
Land title	Part Freehold/Part Leasehold
Leasable Area (msf)	0.4
Committed Occupancy (%)	97.0%
Number of stores	125

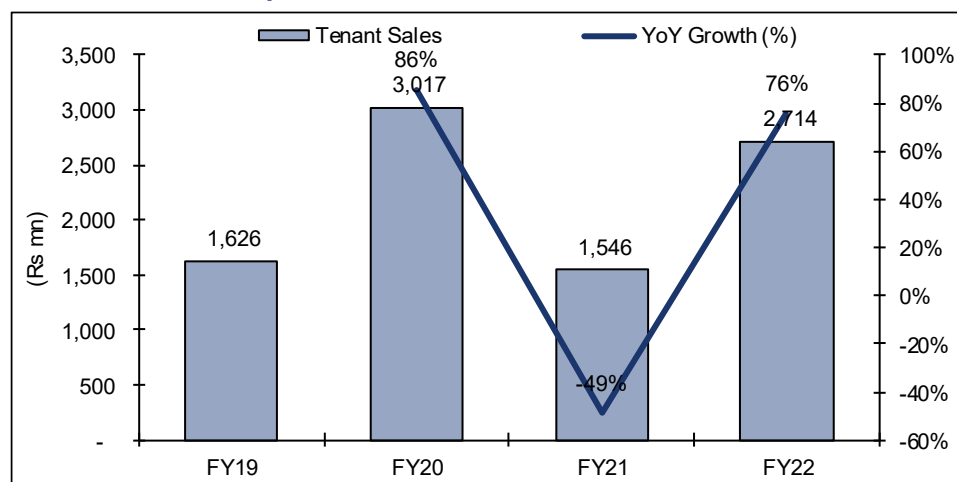
Source: Company, I-Sec research

Chart 57: Nexus Esplanade tenant mix by gross rentals (as of Dec 31, '22)

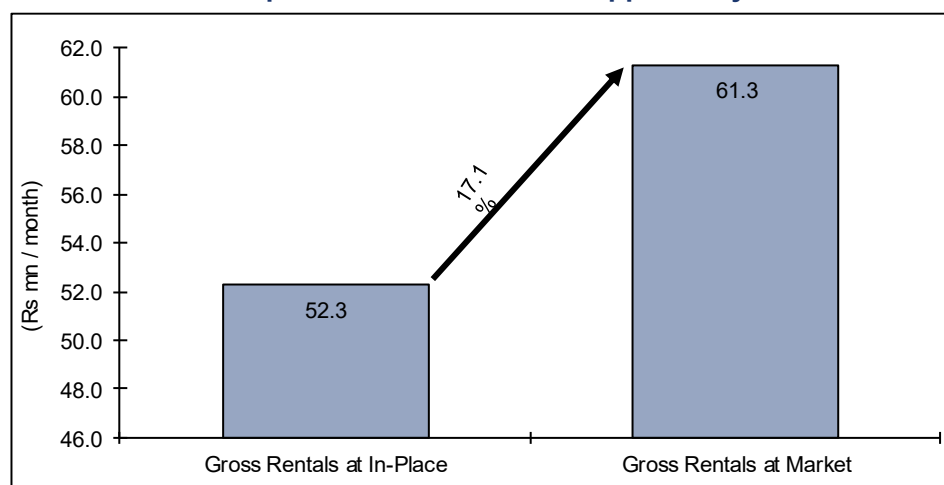
Source: Company, I-Sec research

Chart 58: Nexus Esplanade historical marginal rent growth (CY18-H1CY22)

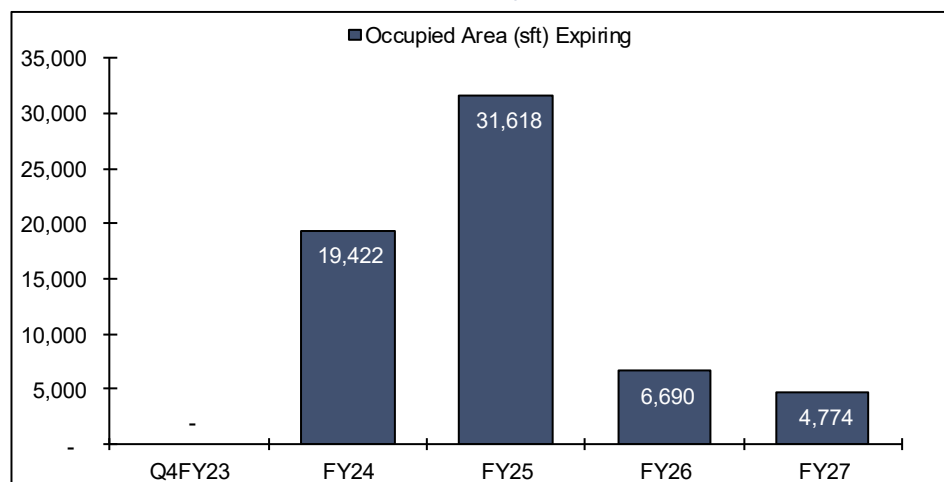
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset rebased to 100 with CY18 as the base year

Chart 59: Nexus Esplanade tenant sales trend

Source: Company, I-Sec research

Chart 60: Nexus Esplanade mark-to-market opportunity

Source: Company, I-Sec research

Chart 61: Nexus Esplanade area expiry schedule

Source: Company, I-Sec research

10. Nexus Amritsar, Amritsar

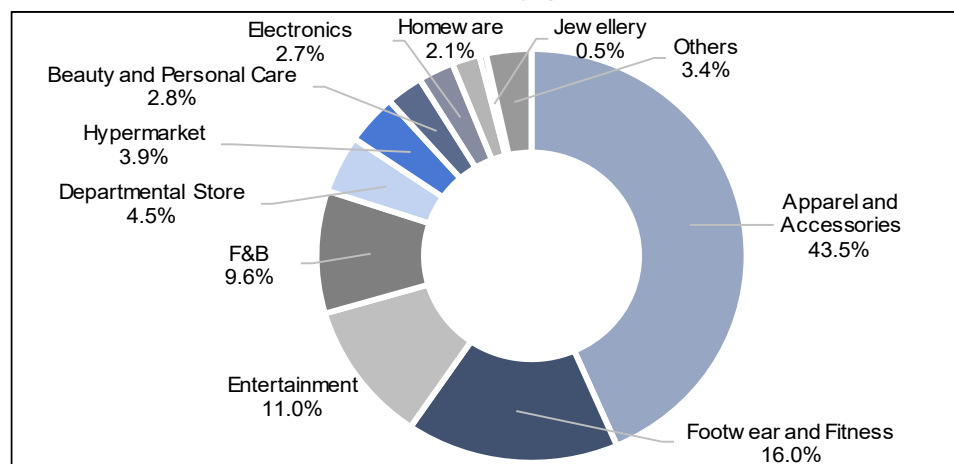
Nexus Amritsar is a Grade A property located in Amritsar, which is home to the 'Golden Temple', a leading spiritual and cultural centre and a popular tourist attraction in the country (Source: CBRE). Launched in 2009, with total leasable area of 0.5msf spread across 10.29 acres, Nexus Amritsar is renowned for its state-of-the-art infrastructure, large atrium and world-class food court (Source: CBRE).

Table 17: Nexus Amritsar – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Euthoria Developers Private Limited
Interest owned by REIT	99.45%
Year of Commencement	2009
Asset Type	Urban Consumption Centre
Micromarket	Amritsar
Land title	Freehold
Leasable Area (msf)	0.5
Committed Occupancy (%)	97.2%
Number of stores	175

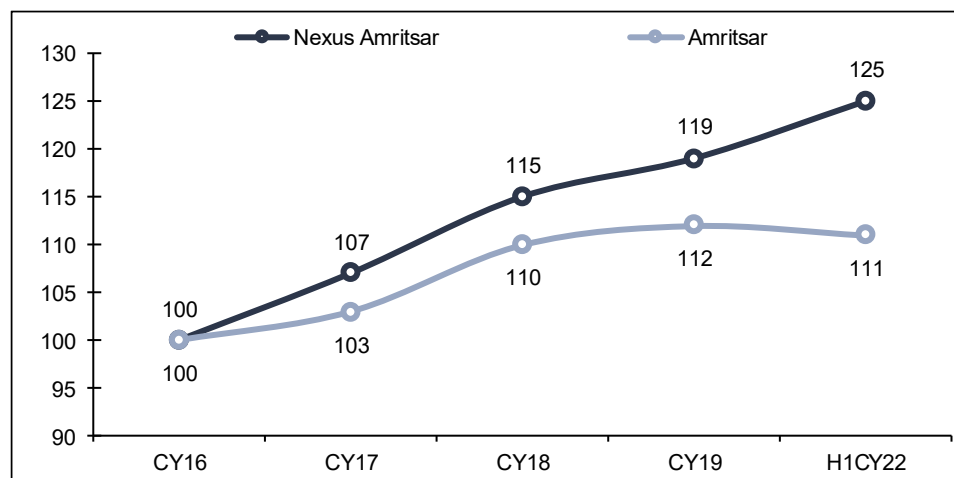
Source: Company, I-Sec research

Chart 62: Nexus Amritsar tenant mix by gross rentals (as of 31 Dec'22)

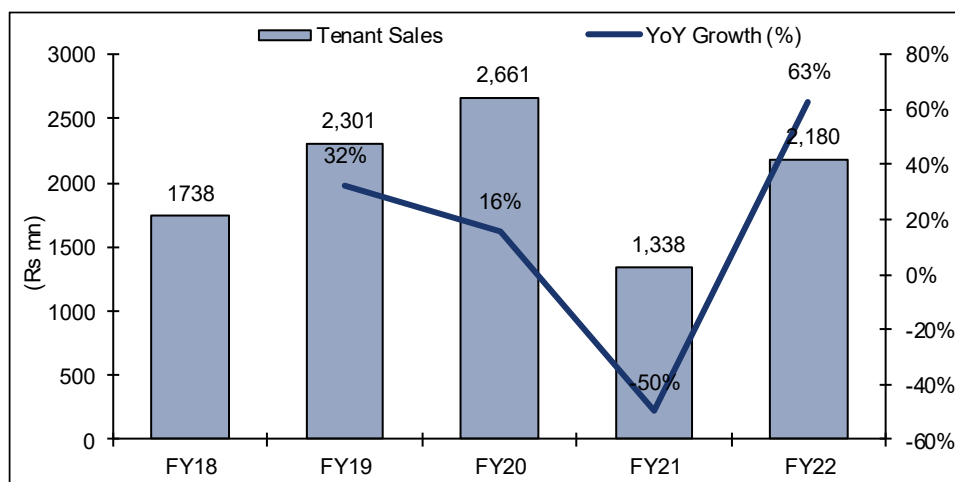


Source: Company, I-Sec research

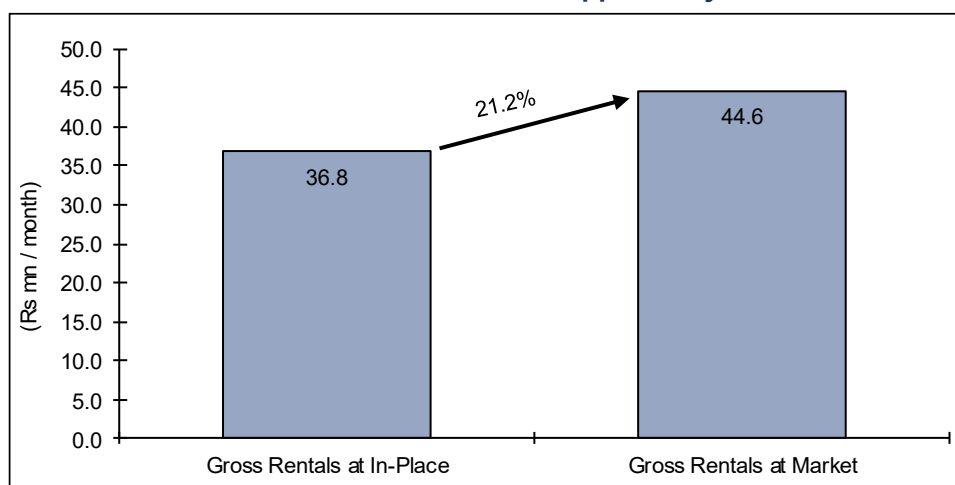
Chart 63: Nexus Amritsar historical marginal rent growth vs sub-market (CY16-H1CY22)



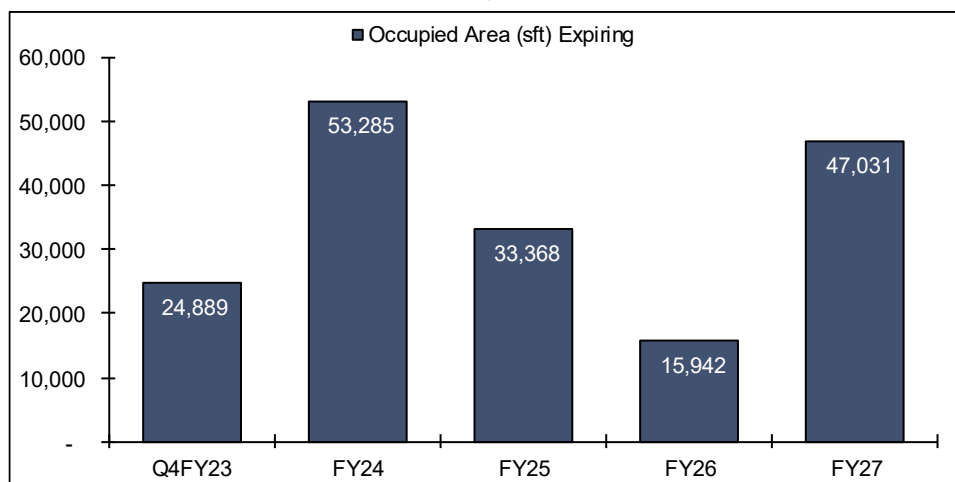
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 64: Nexus Amritsar tenant sales trend

Source: Company, I-Sec research

Chart 65: Nexus Amritsar mark-to-market opportunity

Source: Company, I-Sec research

Chart 66: Nexus Amritsar area expiry schedule

Source: Company, I-Sec research

11. Nexus Shantiniketan, Bengaluru

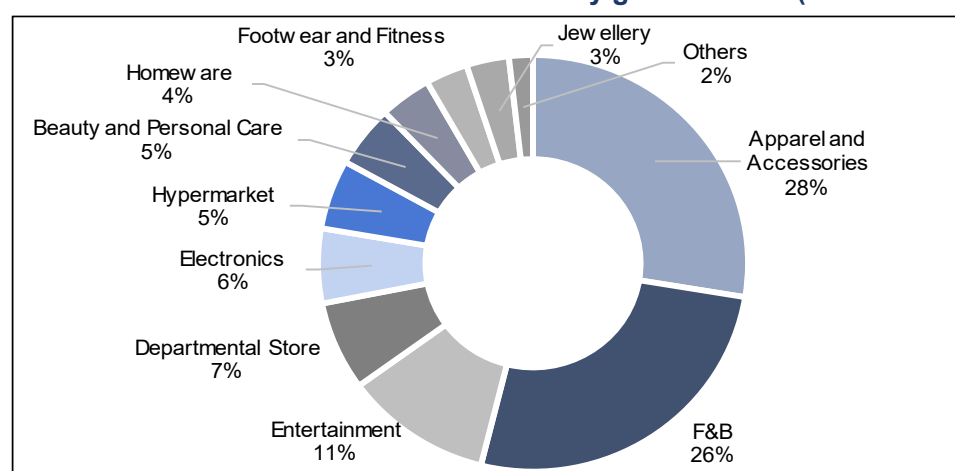
Nexus Shantiniketan is a Grade A, freehold property located in Bengaluru (Source: CBRE). Launched in 2018, with total leasable area of 0.4msf spread over 3.46 acres¹, Nexus Shantiniketan has established itself as an iconic development in Whitefield (Source: CBRE). Nexus Shantiniketan is a part of a large project layout spread over 105 acres, which houses over 3,000 premium residential apartments, commercial office blocks, a hotel and a convention centre (Source: CBRE).

Table 18: Nexus Shantiniketan – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Nexus Shantiniketan Retail Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2018
Asset Type	Urban Consumption Centre
Micromarket	East Bengaluru (Whitefield)
Land title	Freehold
Leasable Area (msf)	0.4
Committed Occupancy (%)	97.3%
Number of stores	168

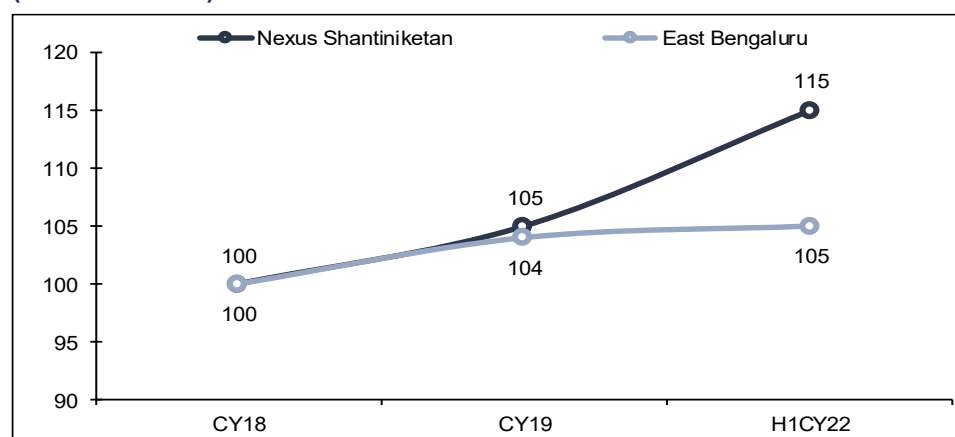
Source: Company, I-Sec research

Chart 67: Nexus Shantiniketan tenant mix by gross rentals (as of Dec 31, '22)

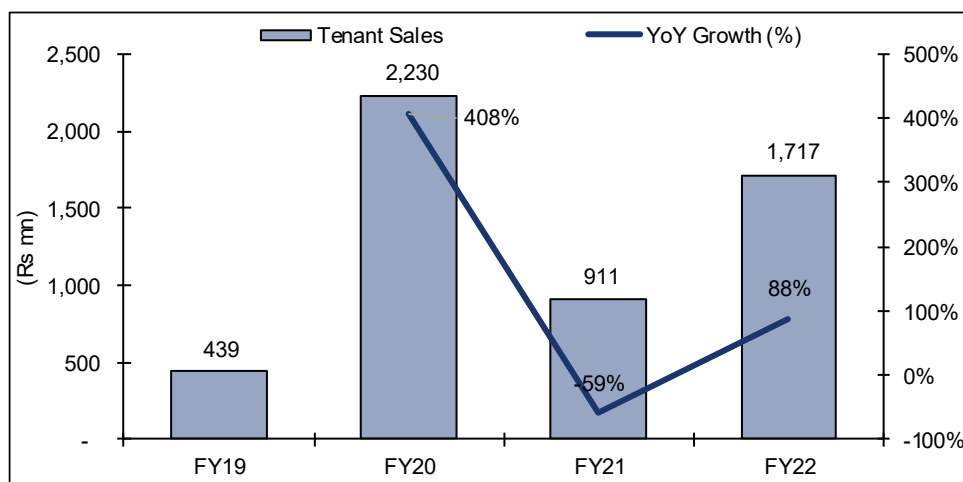


Source: Company, I-Sec research

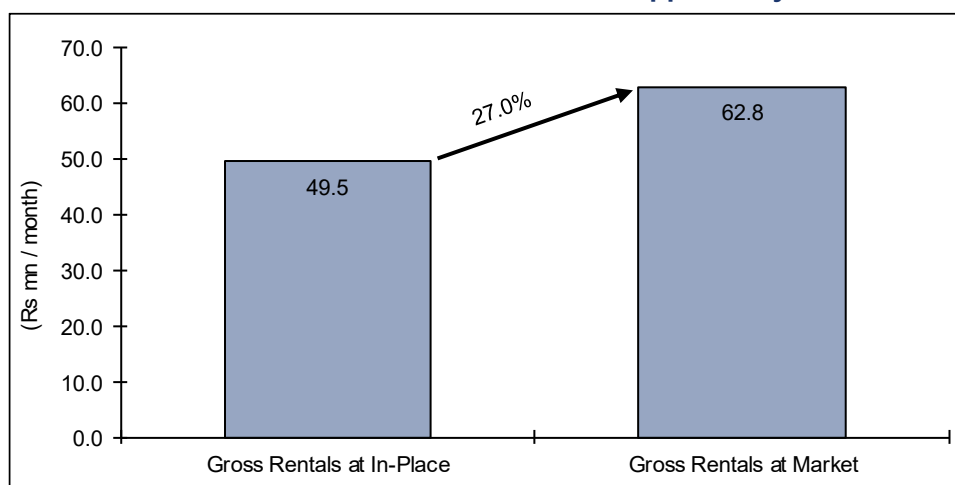
Chart 68: Nexus Shantiniketan historical marginal rent growth vs sub-market (CY18-H1CY22)



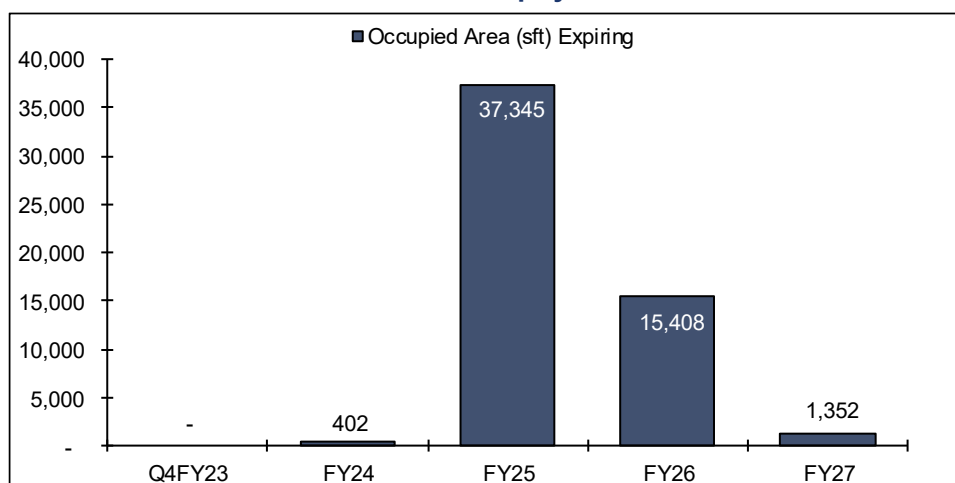
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY18 as the base year; for like-to-like assets operational since CY18

Chart 69: Nexus Shantiniketan tenant sales trend

Source: Company, I-Sec research

Chart 70: Nexus Shantiniketan mark-to-market opportunity

Source: Company, I-Sec research

Chart 71: Nexus Shantiniketan area expiry schedule

Source: Company, I-Sec research

12. Nexus Whitefield, Bengaluru

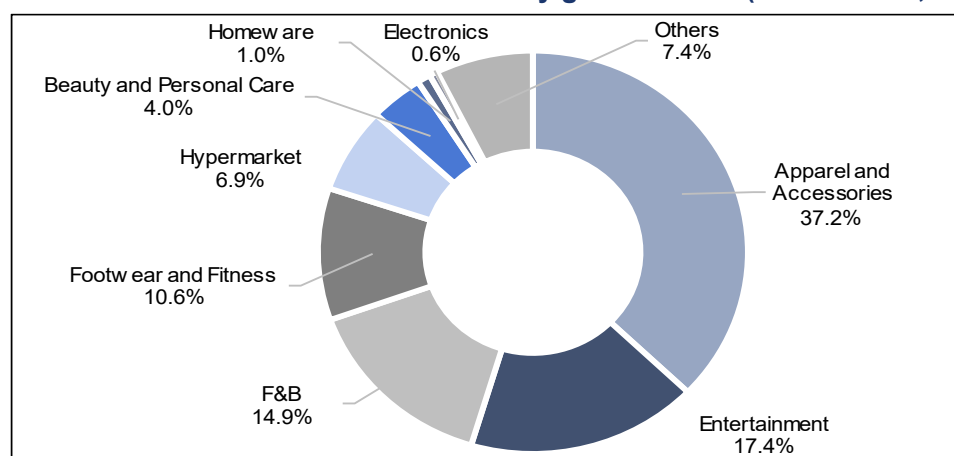
Nexus Whitefield Complex is a 5.02 acre mixed-use complex in Bengaluru comprising 0.3msf leasable area Grade A urban consumption centre (Source: CBRE), Nexus Whitefield, and the 143-key Oakwood Residence Whitefield Bangalore hotel which achieved hotel occupancy of 66.9% and ARR of Rs6,547 in Q3FY23.

Table 19: Nexus Whitefield – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Nexusmall Whitefield Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2008
Asset Type	Urban Consumption Centre + Hotel
Micromarket	East Bengaluru (Whitefield)
Land title	Freehold
Leasable Area (msf)	0.3
Committed Occupancy (%)	94.7%
Number of stores	119

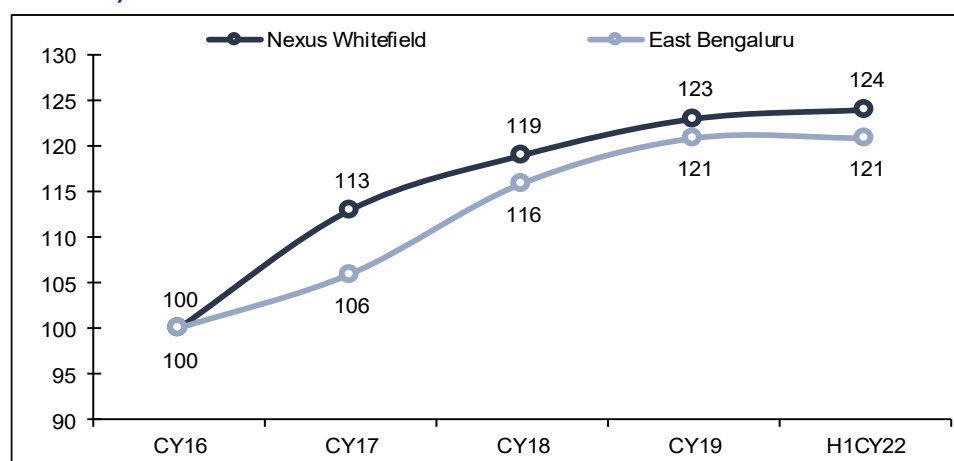
Source: Company, I-Sec research

Chart 72: Nexus Whitefield tenant mix by gross rentals (as of Dec 31, '22)

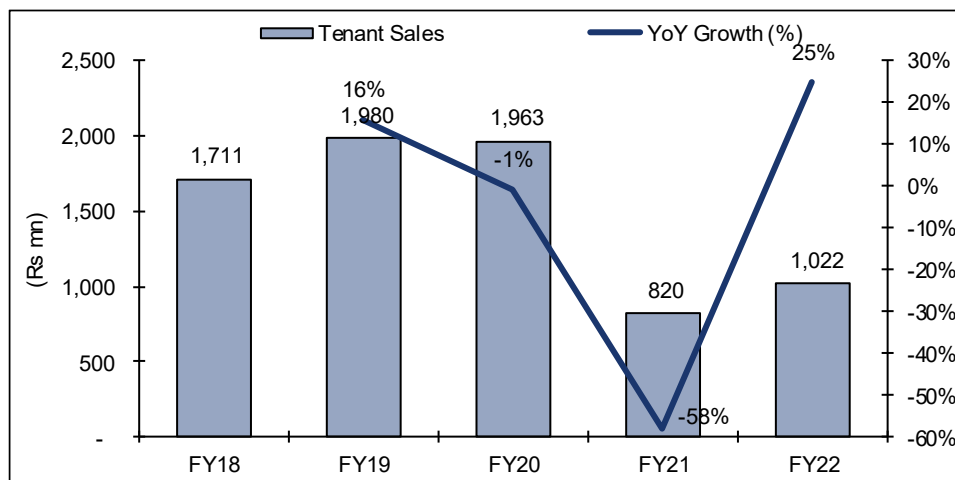


Source: Company, I-Sec research

Chart 73: Nexus Whitefield historical marginal rent growth vs sub-market (CY16-H1CY22)



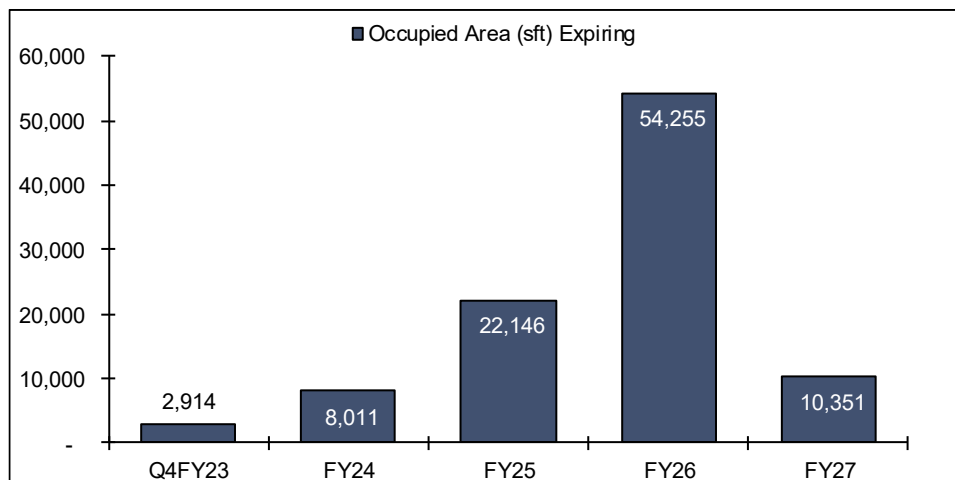
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 74: Nexus Whitefield tenant sales trend

Source: Company, I-Sec research

Chart 75: Nexus Whitefield mark-to-market opportunity

Source: Company, I-Sec research

Chart 76: Nexus Whitefield area expiry schedule

Source: Company, I-Sec research

13. Nexus Celebration, Udaipur

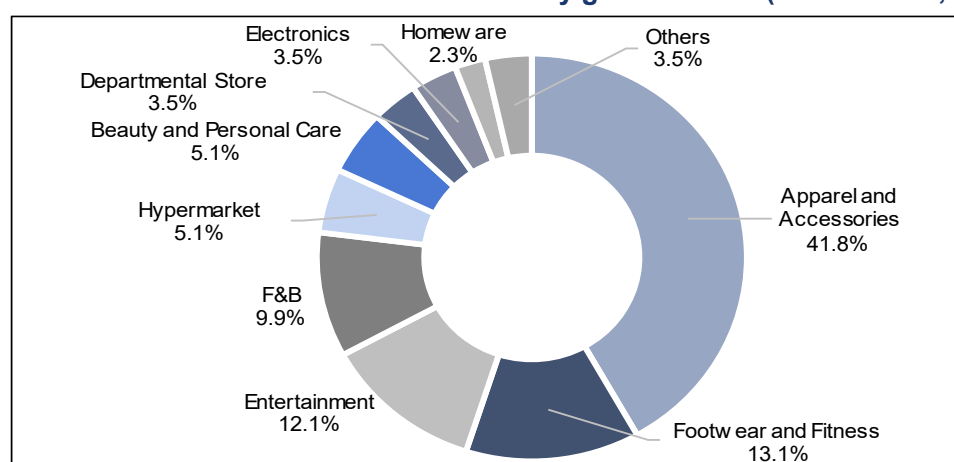
Nexus Celebration is a Grade A, leasehold property located in Udaipur (Source: CBRE). Udaipur, also known as the City of Lakes or the Venice of the East, is a prominent tourist destination known for its antiquity, culture and scenic beauty (Source: CBRE). Launched in 2011, with total leasable area of 0.4msf spread over 3.11 acres, Nexus Celebration is built along the styles of traditional palatial architecture and since its launch, it has been a landmark destination for locals and tourists alike (Source: CBRE).

Table 20: Nexus Celebration – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Nexus Udaipur Retail Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2011
Asset Type	Urban Consumption Centre
Micromarket	Udaipur
Land title	Leasehold
Leasable Area (msf)	0.4
Committed Occupancy (%)	94.6%
Number of stores	138

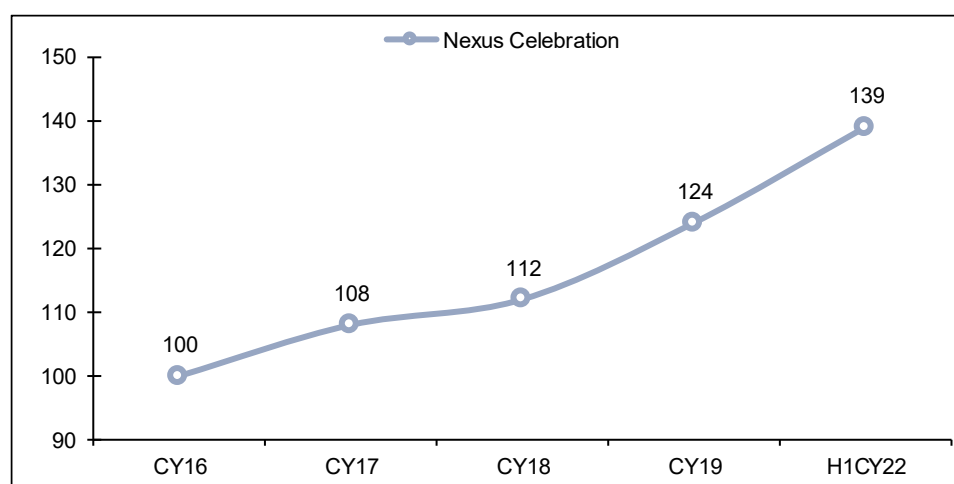
Source: Company, I-Sec research

Chart 77: Nexus Celebration tenant mix by gross rentals (as of Dec 31, '22)



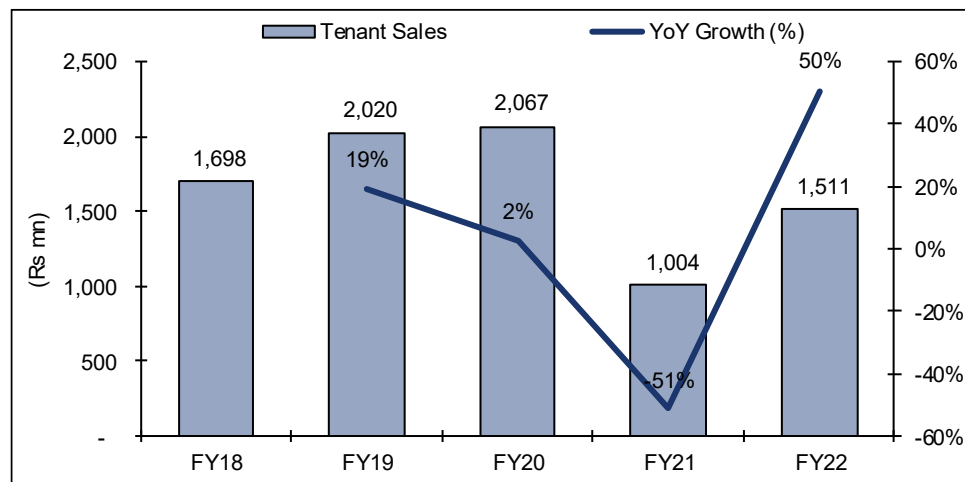
Source: Company, I-Sec research

Chart 78: Nexus Celebration historical marginal rent growth (CY16-H1CY22)



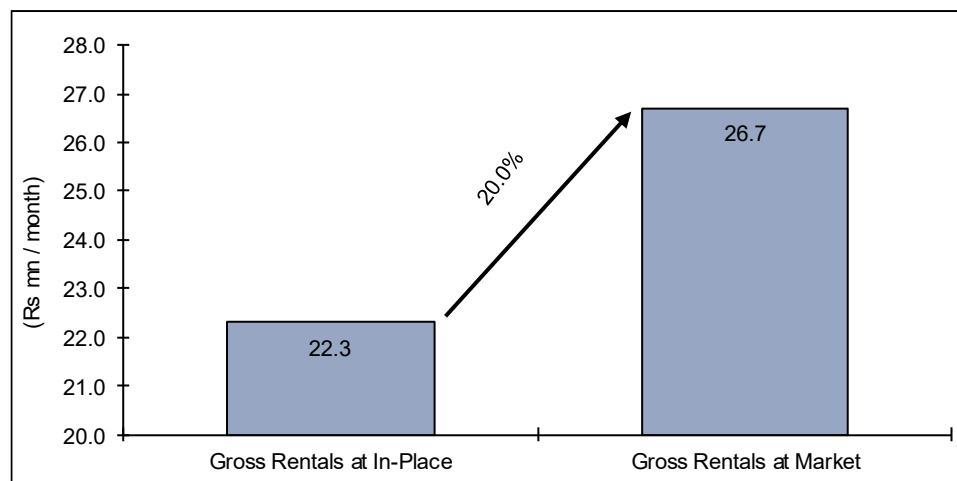
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset rebased to 100 with CY16 as the base year

Chart 79: Nexus Celebration tenant sales trend



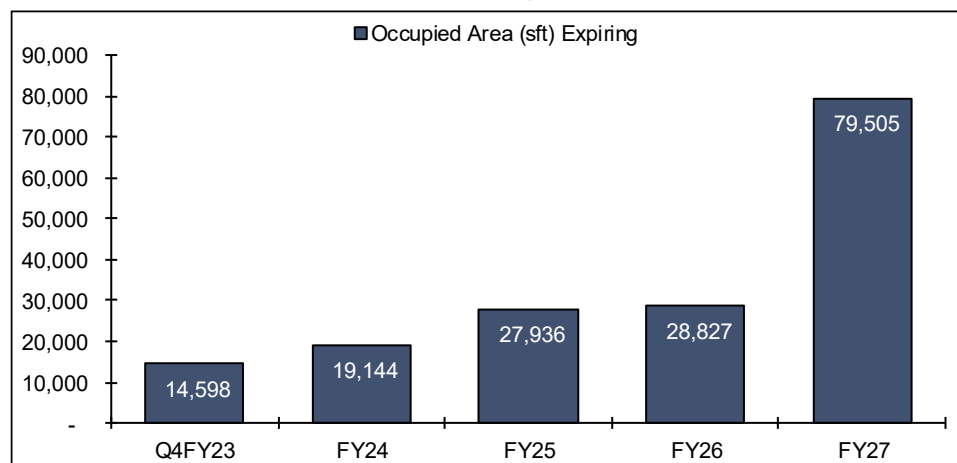
Source: Company, I-Sec research

Chart 80: Nexus Celebration mark-to-market opportunity



Source: Company, I-Sec research

Chart 81: Nexus Celebration area expiry schedule



Source: Company, I-Sec research

14. Fiza by Nexus, Mangaluru

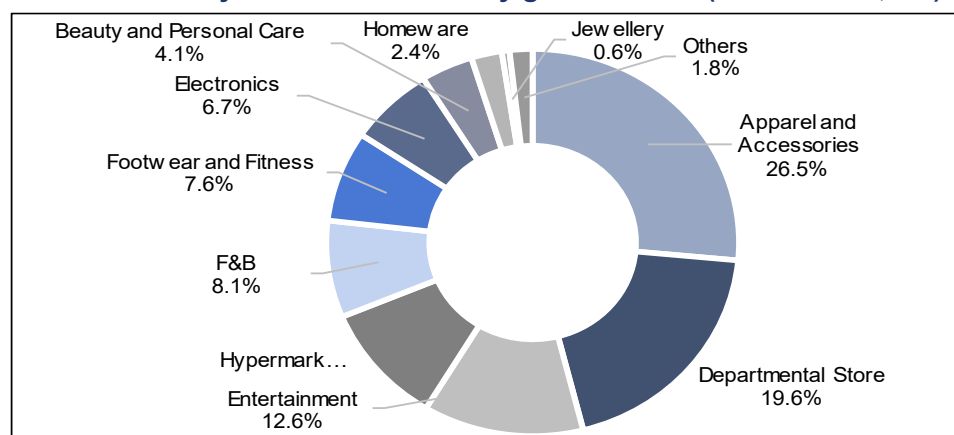
Fiza by Nexus is a Grade A, freehold property located in Mangaluru (Source: CBRE). With a population of 0.7mn as of 2021, Mangaluru is characterised by a high literacy rate, which is an important factor contributing to the overall growth of the economy and emergence of corporate activity in the city (Source: CBRE). Launched in 2014, with 0.5msf of total leasable area spread across 3.9 acres of land, Fiza by Nexus maintains its status as the largest go-to retail urban consumption centre destination in coastal Karnataka (Source: CBRE).

Table 21: Fiza by Nexus – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Nexus Mangalore Retail Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2014
Asset Type	Urban Consumption Centre
Micromarket	Mangaluru
Land title	Freehold
Leasable Area (msf)	0.5
Committed Occupancy (%)	71.7%
Number of stores	171

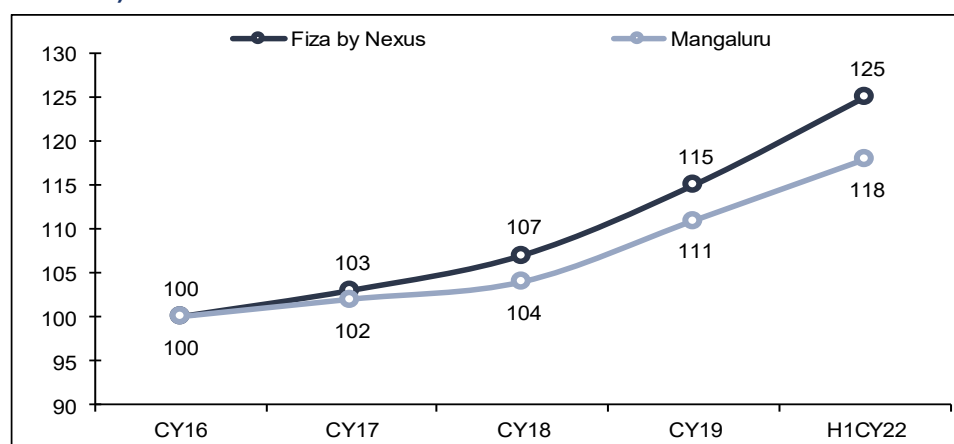
Source: Company, I-Sec research

Chart 82: Fiza by Nexus tenant mix by gross rentals (as of Dec 31, '22)

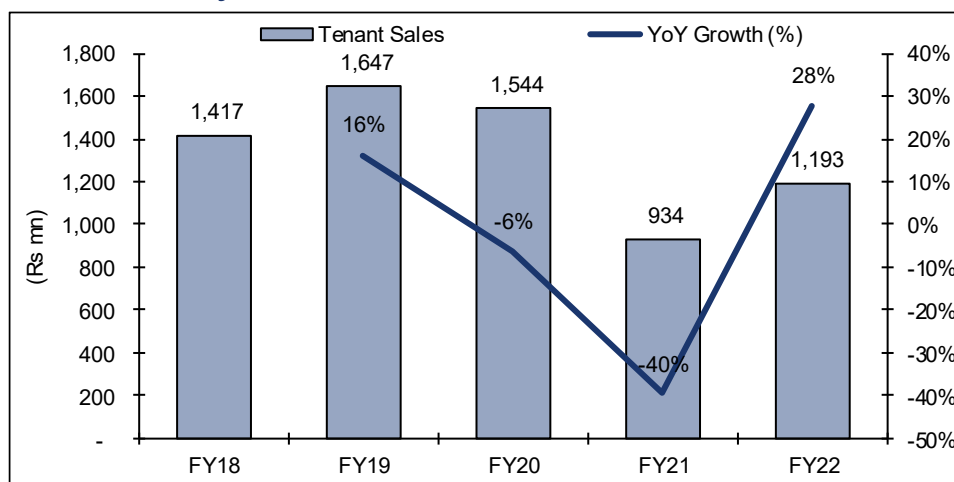


Source: Company, I-Sec research

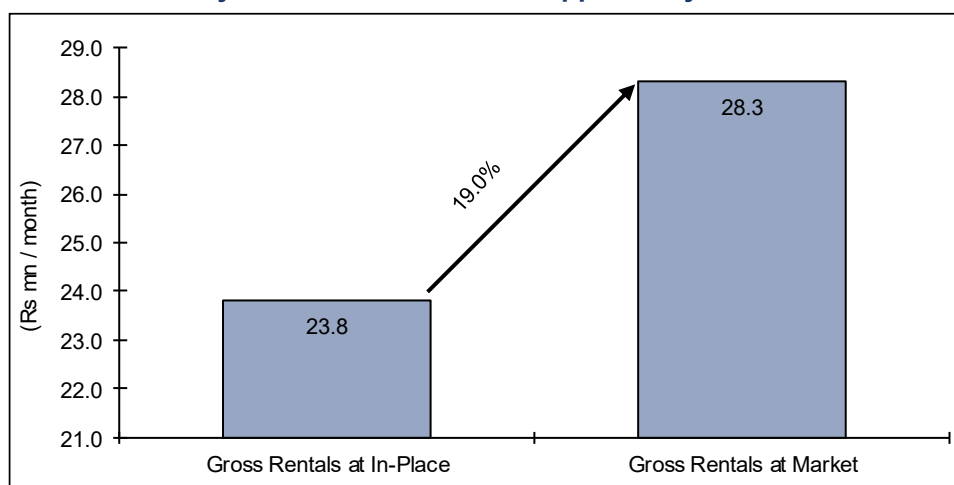
Chart 83: Fiza by Nexus historical marginal rent growth vs sub-market (CY16-H1CY22)



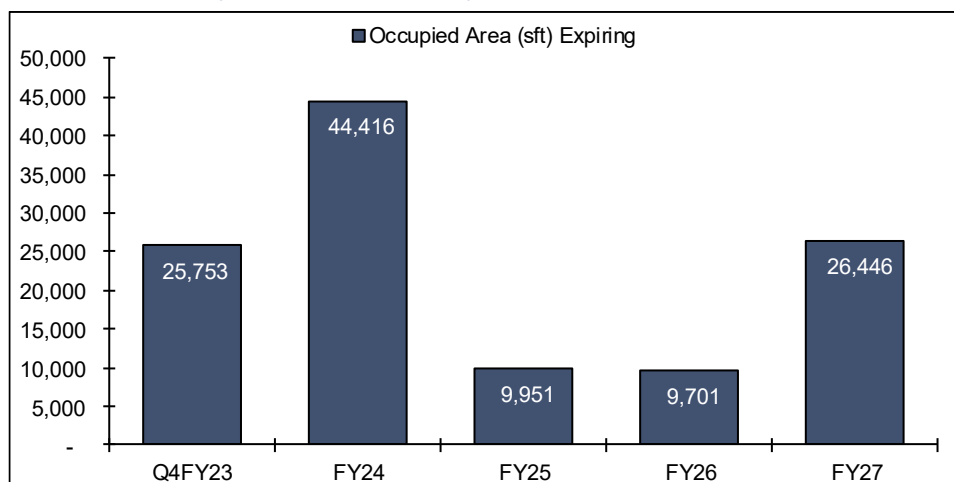
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 84: Fiza by Nexus tenant sales trend

Source: Company, I-Sec research

Chart 85: Fiza by Nexus mark-to-market opportunity

Source: Company, I-Sec research

Chart 86: Fiza by Nexus area expiry schedule

Source: Company, I-Sec research

15. Nexus Centre City, Mysuru

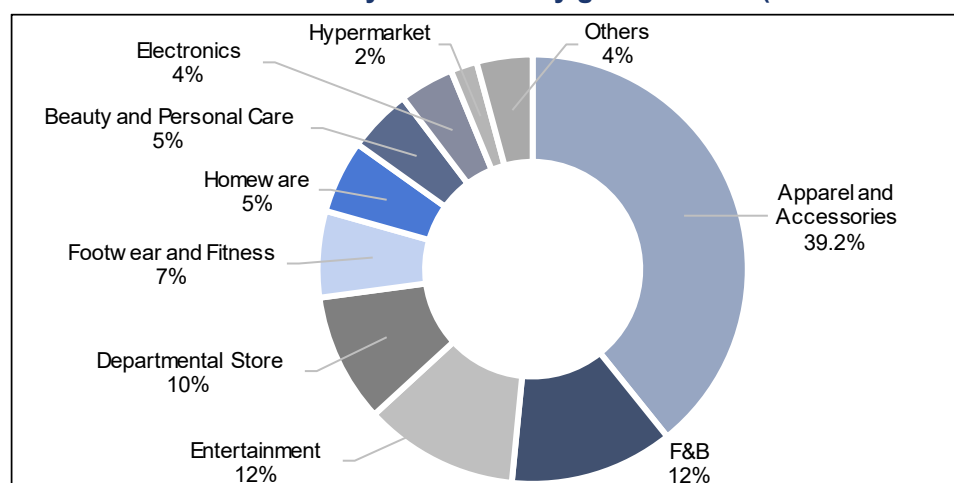
Nexus Centre City is a Grade A (Source: CBRE), freehold property in Mysuru. Launched in 2017, with 0.3msf of total leasable area spread over 3.62 acres of land, Nexus Centre City is the largest urban consumption centre located in the centre of Mysuru (Source: CBRE).

Table 22: Nexus Centre City – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Nexus Mysore Retail Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2017
Asset Type	Urban Consumption Centre
Micromarket	Mysuru
Land title	Freehold
Leasable Area (msf)	0.3
Committed Occupancy (%)	97.8%
Number of stores	108

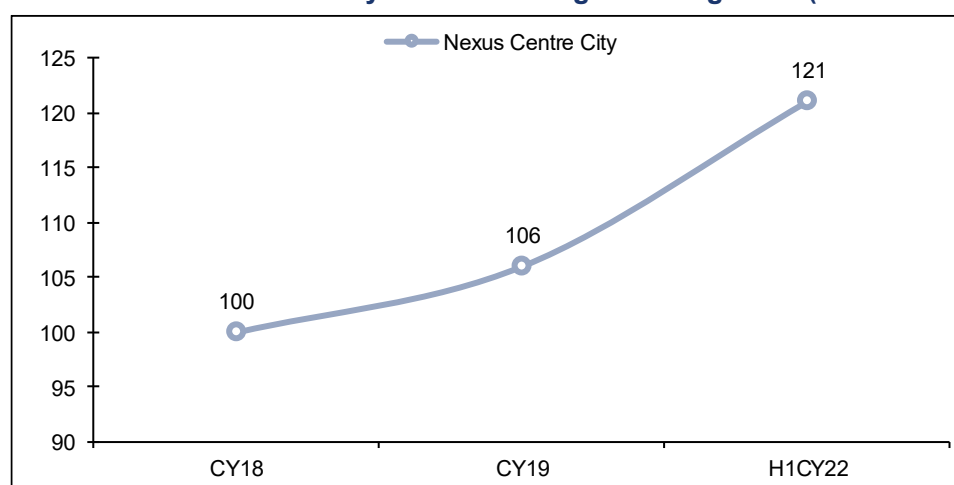
Source: Company, I-Sec research

Chart 87: Nexus Centre City tenant mix by gross rentals (as of Dec 31 '22)

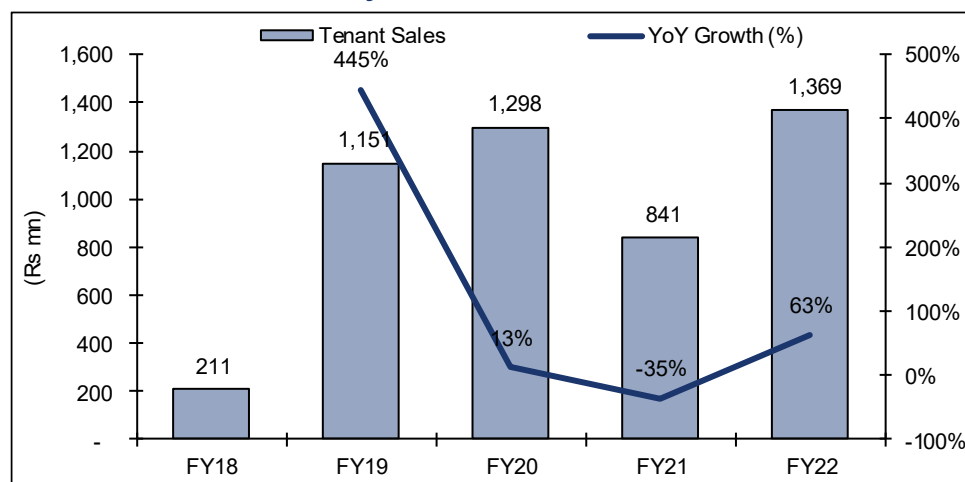


Source: Company, I-Sec research

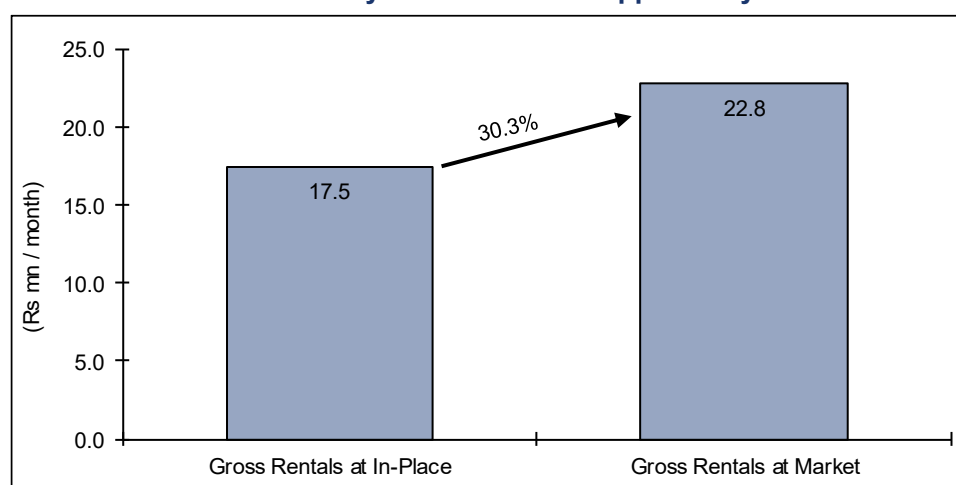
Chart 88: Nexus Centre City historical marginal rent growth (CY18-H1CY22)



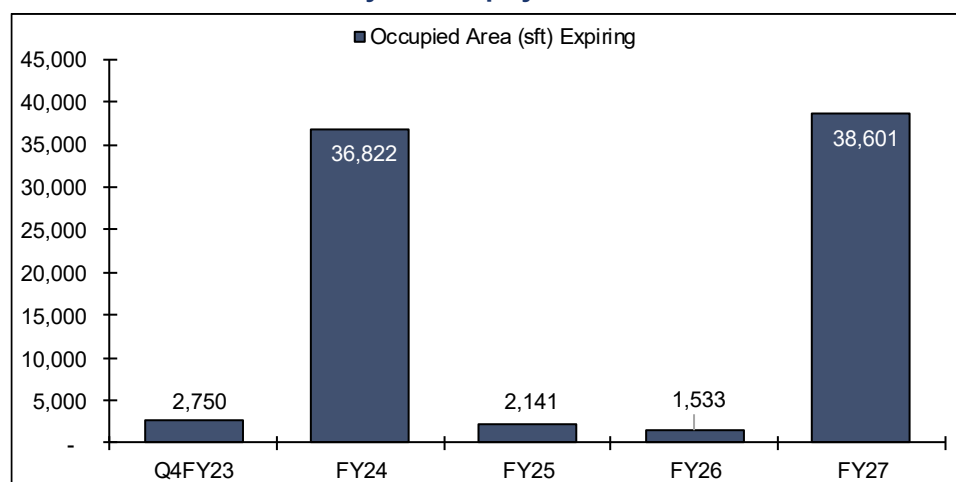
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset rebased to 100 with CY18 as the base year

Chart 89: Nexus Centre City tenant sales trend

Source: Company, I-Sec research

Chart 90: Nexus Centre City mark-to-market opportunity

Source: Company, I-Sec research

Chart 91: Nexus Centre City area expiry schedule

Source: Company, I-Sec research

16. Nexus Indore Central, Indore

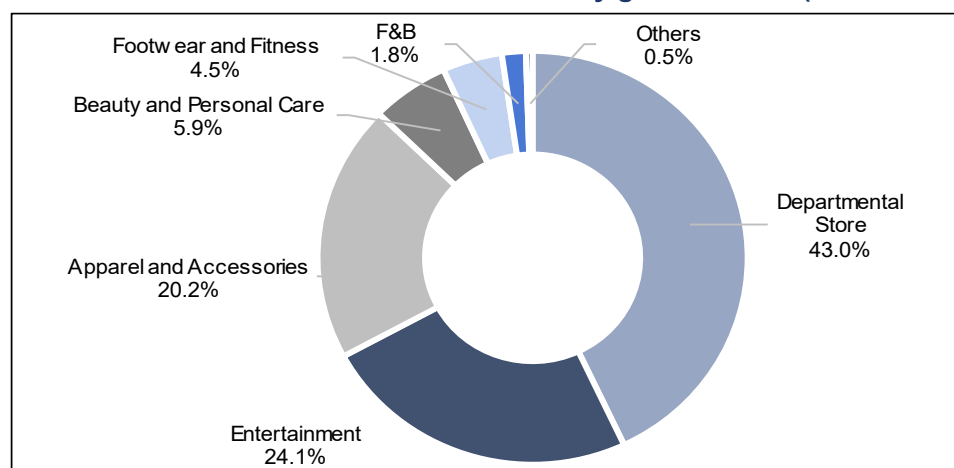
Nexus Indore Central is a Grade A, freehold property located in the heart of the city of Indore (Source: CBRE). The city of Indore is the commercial capital of Madhya Pradesh and the hub for all business activities in the western region of Madhya Pradesh (Source: CBRE). Launched in 2009, with total leasable area of 0.2msf and spread over 1.7 acres, Nexus Indore Central is located in city-centre of Indore.

Table 23: Nexus Indore Central – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Naman Mall Management Company Private Limited
Interest owned by REIT	100.0%
Year of Commencement	2009
Asset Type	Urban Consumption Centre
Micromarket	Indore
Land title	Freehold
Leasable Area (msf)	0.2
Committed Occupancy (%)	90.4%
Number of stores	39

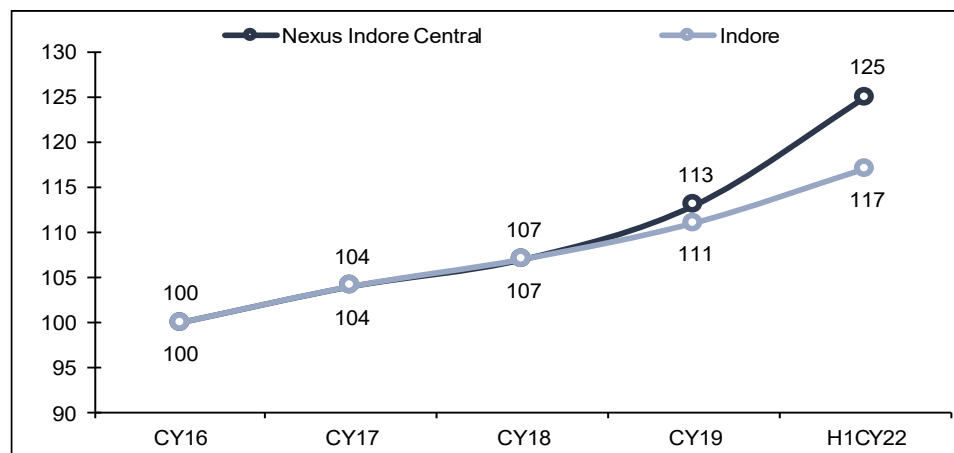
Source: Company, I-Sec research

Chart 92: Nexus Indore Central tenant mix by gross rentals (as of Dec 31, '22)

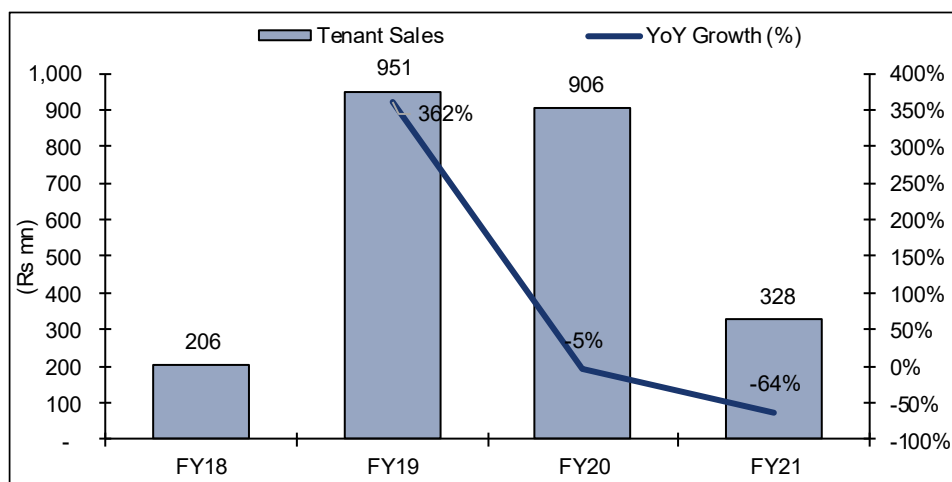


Source: Company, I-Sec research

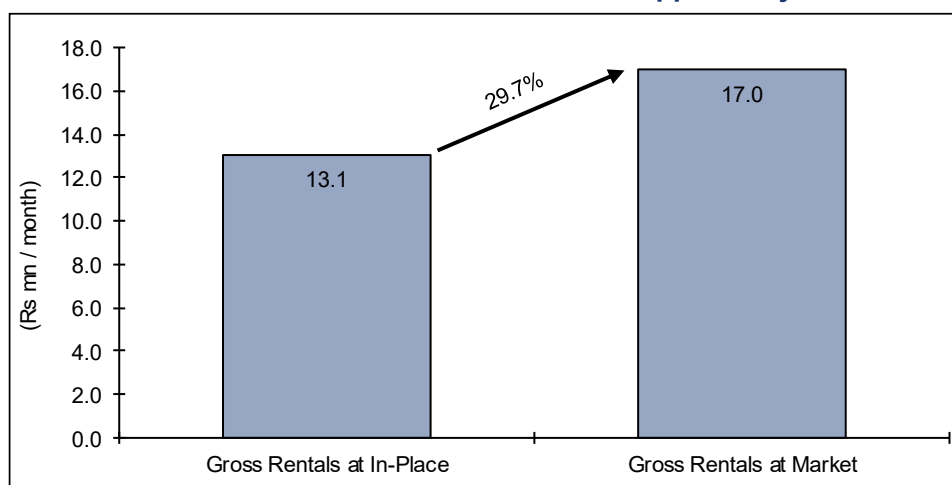
Chart 93: Nexus Indore Central historical marginal rent growth vs sub-market (CY16-H1CY22)



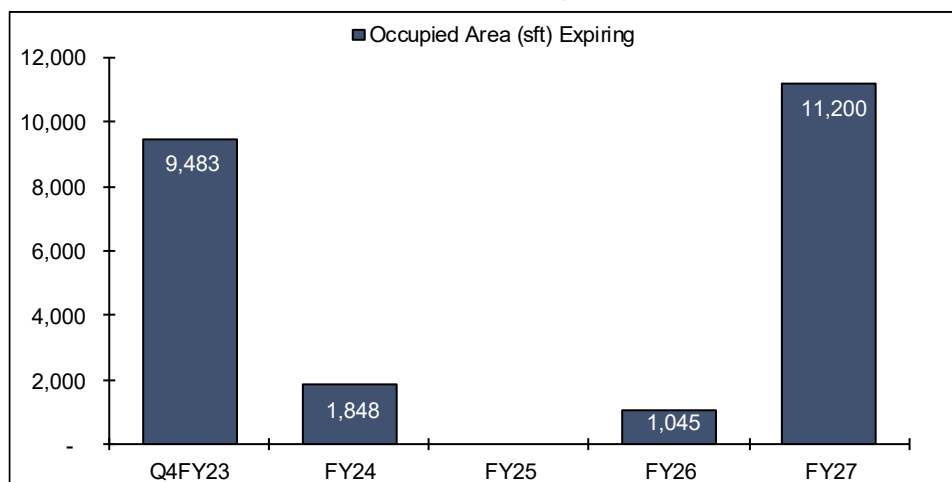
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 94: Nexus Indore Central tenant sales trend

Source: Company, I-Sec research

Chart 95: Nexus Indore Central mark-to-market opportunity

Source: Company, I-Sec research

Chart 96: Nexus Indore Central area expiry schedule

Source: Company, I-Sec research

17. Treasure Island, Indore

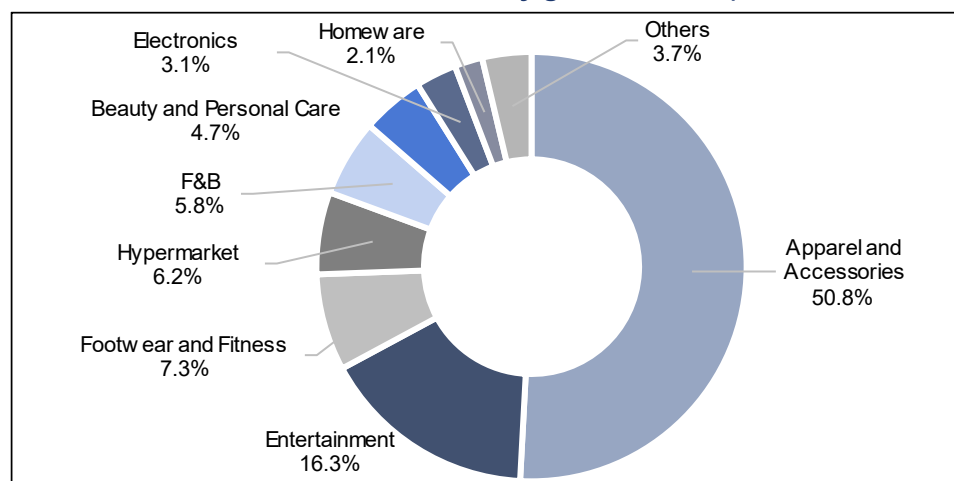
Treasure Island is a Grade A, leasehold property located in Indore (Source: CBRE). Launched in 2007 with total leasable area of 0.2msf and spread over 1.15 acres in the heart of Indore, Treasure Island was the first retail urban consumption centre to open in Central India (Source: CBRE).

Table 24: Treasure Island – key asset information

Particulars	Details (as of 31 Dec'22)
Entity/SPVs	Indore Treasure Island Private Limited
Interest owned by REIT	50.0%
Year of Commencement	2007
Asset Type	Urban Consumption Centre
Micromarket	Indore
Land title	Leasehold
Leasable Area (msf)	0.2
Committed Occupancy (%)	96.8%
Number of stores	118

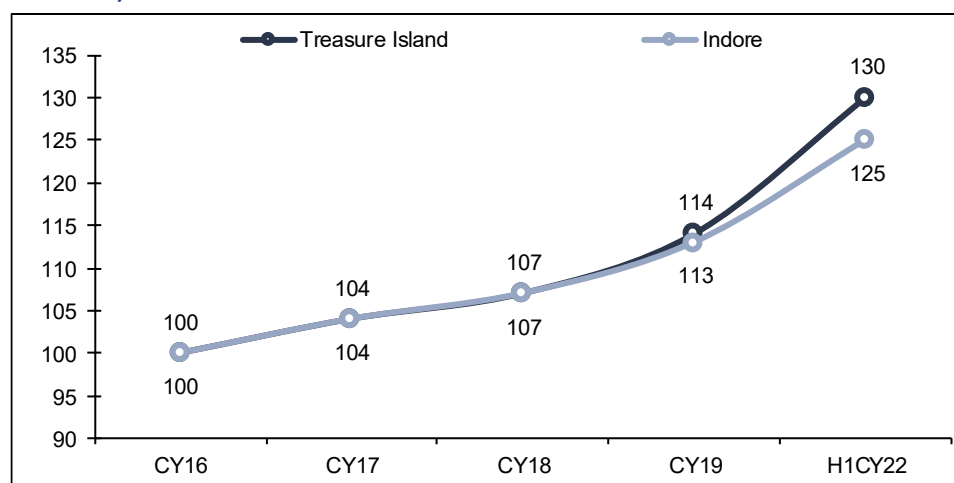
Source: Company, I-Sec research

Chart 97: Treasure Island tenant mix by gross rentals (as of Dec 31, '22)

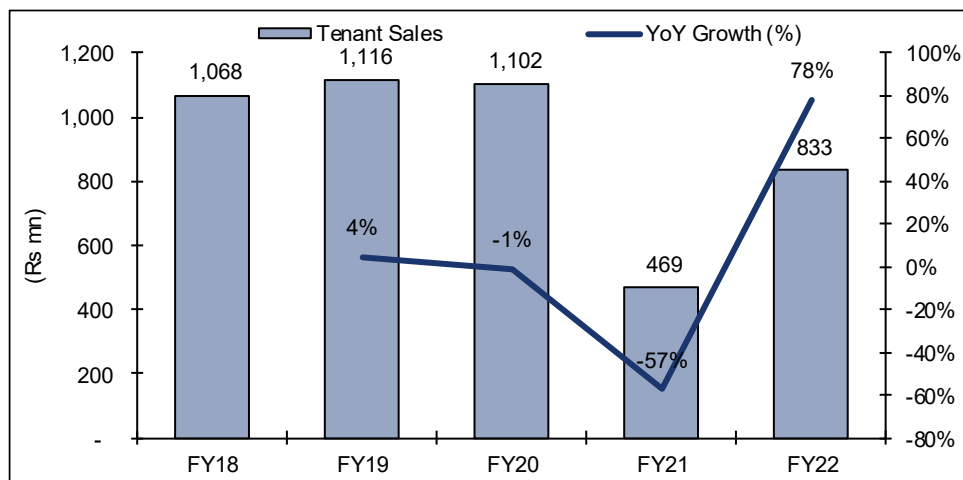


Source: Company, I-Sec research

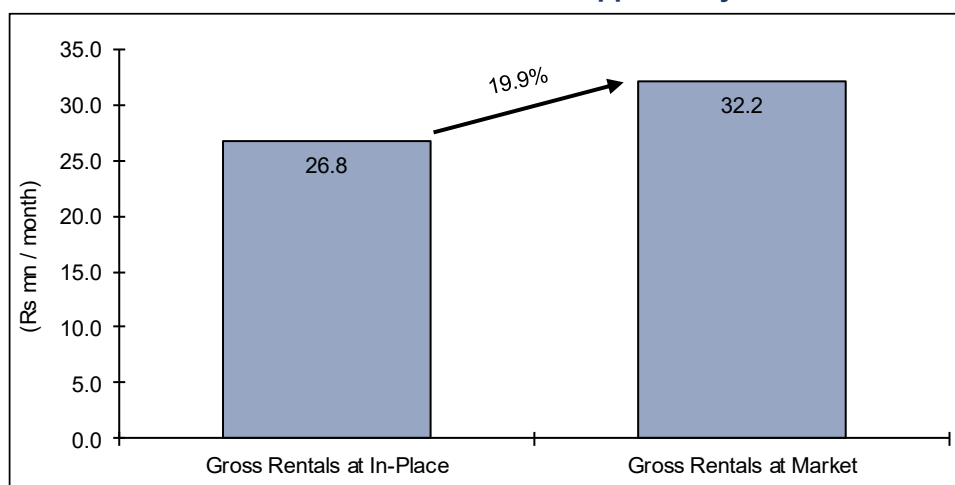
Chart 98: Treasure Island historical marginal rent growth vs sub-market (CY16-H1CY22)



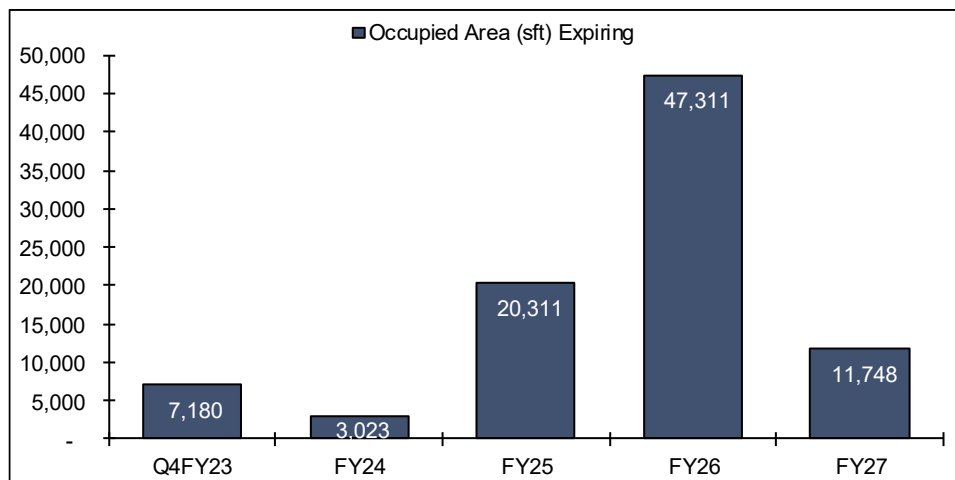
Source: CBRE, Company, I-Sec research, Note: Numbers in the chart represent Marginal Rents for portfolio asset and portfolio submarket rebased to 100 with CY16 as the base year; for like-to-like assets operational since CY16

Chart 99: Treasure Island tenant sales trend

Source: Company, I-Sec research

Chart 100: Treasure Island mark-to-market opportunity

Source: Company, I-Sec research

Chart 101: Treasure Island area expiry schedule

Source: Company, I-Sec research

Financial summary (consolidated)

Table 25: Profit and loss statement

(Rs mn, year ending Mar 31)

Year ending March	FY22	FY23E*	FY24E	FY25E	FY26E
Revenue from operations	13,182	19,527	21,424	22,915	24,464
Operating expenses	4,488	5,772	5,019	5,319	5,692
Net Operating Income (NOI)	8,694	13,755	16,405	17,596	18,772
NOI margin (%)	66.0%	70.4%	76.6%	76.8%	76.7%
Other expenses/REIT expenses	917	535	1,674	1,782	1,910
EBITDA	7,777	13,221	14,732	15,814	16,862
% margins	59.0%	67.7%	68.8%	69.0%	68.9%
Depreciation & Amortisation	2,429	2,332	2,302	2,138	2,051
Interest expenses	5,240	5,616	4,108	4,136	4,165
Other Income	803	469	493	517	543
Income from JVs/associates	27	67	87	92	98
Exceptional items	(215)	-	-	-	-
PBT	723	5,809	8,901	10,150	11,287
Less: Taxes	833	1,039	1,182	1,408	1,502
PAT before Minority/Associate	(110)	4,770	7,719	8,742	9,786
Minority Interest	-	-	-	-	-
Net Income (Adjusted)	(110)	4,770	7,719	8,742	9,786

Source: Company data, I-Sec research, **FY23E proforma estimates prior to REIT listing on 19th May'23

Table 26: Balance sheet

(Rs mn, year ending Mar 31)

As at March	FY22	FY23E*	FY24E	FY25E	FY26E
Assets					
Total Current Assets	14,674	18,344	19,621	20,420	21,259
of which cash & cash eqv.	6,541	10,774	11,673	12,075	12,496
Total Current Liabilities & Provisions	14,152	15,522	16,881	18,259	19,656
Net Current Assets	521	2,822	2,740	2,161	1,602
Other non-current assets/Goodwill	6,003	5,869	5,869	5,869	5,869
Investments	3,715	2,848	2,848	2,848	2,848
Net Fixed Assets	68,477	70,319	1,87,859	1,84,784	1,81,806
Capital WIP	1,606	133	133	133	133
Total Assets	80,323	81,992	1,99,449	1,95,794	1,92,259
Liabilities					
Borrowings	63,084	58,665	46,165	46,165	46,165
Net Worth	17,238	23,327	1,53,284	1,49,629	1,46,094
Total Liabilities	80,323	81,992	1,99,449	1,95,794	1,92,259

Source: Company data, I-Sec research, *Assumed non-cash adjustment for revaluation of assets on transfer to REIT

Table 27: Cashflow statement*(Rs mn, year ending Mar 31)*

Year ending March	FY22	FY23E*	FY24E	FY25E	FY26E
PBT	723	5,809	8,901	10,150	11,287
Interest income and fair value change in financial assets	(284)	(469)	(493)	(517)	(543)
Finance costs	4,819	5,616	4,108	4,136	4,165
Depreciation and amortisation expense	2,429	2,332	2,302	2,138	2,051
Others	63	67	87	92	98
Operating cash flows before working capital changes	7,751	13,354	14,906	15,998	17,058
Changes in Working Capital	724	2,415	1,220	1,231	1,242
Cash generated from operations	8,475	15,769	16,126	17,229	18,300
Income taxes paid, net	(1,001)	(1,039)	(1,182)	(1,408)	(1,502)
Operating Cashflow	7,475	14,730	14,943	15,821	16,798
Capital Commitments	(1,258)	(930)	(300)	(315)	(331)
Free Cashflow	6,217	13,800	14,643	15,506	16,467
Investments	(1,702)	-	(77)	(157)	(165)
Others	252	469	493	517	543
Cashflow from Investing Activities	(2,707)	(461)	116	45	47
Issue of Share Capital/(Distribution)	-	-	2,447	(12,397)	(13,321)
Inc (Dec) in Borrowings	(210)	(4,419)	(12,500)	-	-
Finance costs	(4,819)	(5,616)	(4,108)	(4,136)	(4,165)
Others	648	-	-	-	-
Cashflow from Financing activities	(4,382)	(10,036)	(14,161)	(16,533)	(17,486)
Chg. in Cash & Bank balances	386	4,233	899	(668)	(641)

Source: Company data, I-Sec research, **FY23E proforma estimates prior to REIT listing on 19th May'23**Table 28: Key ratios***(Year ending Mar 31)*

	FY22	FY23E	FY24E	FY25E	FY26E
Per Share Data (Rs)					
Earnings per Unit			5.1	5.8	6.5
Distribution per unit (DPU)			7.6	8.2	8.8
Book Value per Unit (BV)			101.2	98.8	96.4
Growth (%)					
Net Sales	45.3	48.1	9.7	7.0	6.8
Net Operating Income	58.7	58.2	19.3	7.3	6.7
EBITDA	64.8	70.0	11.4	7.3	6.6
PAT	(94.5)	(4,455.4)	61.8	13.3	11.9
Valuation Ratios (x)					
P/E			20.9	18.5	16.5
P/BV			1.1	1.1	1.1
Distribution Yield			7.1	7.7	8.2
Operating Ratios					
Debt/EBITDA (x)	8.1	4.4	3.1	2.9	2.7
Net D/E	3.3	2.1	0.2	0.2	0.2
Profitability/Return Ratios (%)					
RoE	(0.6)	23.5	8.7	5.8	6.6
RoCE	7.7	14.1	9.2	7.2	8.0
EBITDA Margins	59.0	67.7	68.8	69.0	68.9
Net Income Margins	(0.8)	24.4	36.0	38.2	40.0

Source: Company data, I-Sec research

Index of Tables and Charts

Tables

Table 1: Nexus Select Trust's asset portfolio as of Dec 31, '22*	5
Table 2: Top 10 tenants accounted for only 20.2% of gross rentals	14
Table 3: Return profile of Nexus REIT*	21
Table 4: Table: Valuation of Nexus REIT	22
Table 5: Sensitivity of target price to cap rate and WACC	22
Table 6: Comparison of Nexus, Embassy and Mindspace REITs' financial metrics	22
Table 7: Nexus REIT and Phoenix Mills' qualitative comparison	23
Table 8: Select Citywalk – key asset information	29
Table 9: Nexus Elante Complex – key asset information	31
Table 10: Nexus Seawoods – key asset information	33
Table 11: Nexus Ahmedabad One – key asset information	35
Table 12: Nexus Hyderabad – key asset information	37
Table 13: Nexus Koramangala – key asset information	39
Table 14: Nexus Vijaya – key asset information	41
Table 15: Nexus Westend – key asset information	43
Table 16: Nexus Esplanade – key asset information	46
Table 17: Nexus Amritsar – key asset information	48
Table 18: Nexus Shantiniketan – key asset information	50
Table 19: Nexus Whitefield – key asset information	52
Table 20: Nexus Celebration – key asset information	54
Table 21: Fiza by Nexus – key asset information	56
Table 22: Nexus Centre City – key asset information	58
Table 23: Nexus Indore Central – key asset information	60
Table 24: Treasure Island – key asset information	62
Table 25: Profit and loss statement	64
Table 26: Balance sheet	64
Table 27: Cashflow statement	65
Table 28: Key ratios	65

Charts

Chart 1: Nexus Select Trust company structure	4
Chart 2: Nexus Select Trust's geographical snapshot of portfolio assets*	6
Chart 3: Tenant sales grew at 11.0% CAGR from FY18-20*	6
Chart 4: Revenue from leases with tenants in the month ended Dec 31, '22	8
Chart 5: Comparison of average market rents vs in-place rents across Nexus' portfolio as of Dec 31, '22	8
Chart 6: Nexus has a consistent acquisition track record	9
Chart 7: Average same-store committed occupancy of Nexus' portfolio is	12
Chart 8: Select examples of marginal rent premium commanded by Nexus portfolio (as of Jun 30, '22)	12
Chart 9: Gross rentals from international and domestic brands in the month ended Dec 31, '22	13
Chart 10: Gross rentals from tenants split by trade categories in the month ended Dec 31, '22	14
Chart 11: Gross rentals from anchor vs in-line tenants in the month ended Dec 31, '22	15
Chart 12: New leasing across Nexus portfolio over FY20-9MFY23	16
Chart 13: Select examples of key tenant expansions within Nexus portfolio from Mar 31, '19 to Dec 31, '22 (in '000sft)	17
Chart 14: Tenant sales recovery (% vs corresponding quarter of FY20)	18
Chart 15: NOI bridge over FY23-26E (Rs mn)	19
Chart 16: Occupied area and gross rentals expiring across the portfolio	20
Chart 17: Select Citywalk tenant mix by gross rentals (as of Dec 31, '22)	29
Chart 18: Select Citywalk historical marginal rent growth vs sub-market (CY16-H1CY22)	30
Chart 19: Select Citywalk tenant sales trend	30

Chart 20: Select Citywalk mark-to-market opportunity	30
Chart 21: Select Citywalk area expiry schedule	31
Chart 22: Nexus Elante tenant mix by gross rentals (as of Dec 31, '22)	31
Chart 23: Nexus Elante historical marginal rent growth vs sub-market (CY16-H1CY22) ..	32
Chart 24: Nexus Elante tenant sales trend	32
Chart 25: Nexus Elante mark-to-market opportunity	32
Chart 26: Nexus Elante area expiry schedule	33
Chart 27: Nexus Seawoods tenant mix by gross rentals (as of Dec 31, '22)	34
Chart 28: Nexus Seawoods historical marginal rent growth vs sub-market (CY17-H1CY22)	34
Chart 29: Nexus Seawoods tenant sales trend	34
Chart 30: Nexus Seawoods mark-to-market opportunity	35
Chart 31: Nexus Seawoods area expiry schedule	35
Chart 32: Nexus Ahmedabad One tenant mix by gross rentals (as of Dec 31, '22)	36
Chart 33: Nexus Ahmedabad One historical marginal rent growth (CY16-H1CY22)	36
Chart 34: Nexus Ahmedabad One tenant sales trend	36
Chart 35: Nexus Ahmedabad One mark-to-market opportunity	37
Chart 36: Nexus Ahmedabad One area expiry schedule	37
Chart 37: Nexus Hyderabad tenant mix by gross rentals (as of Dec 31, '22)	38
Chart 38: Nexus Hyderabad historical marginal rent growth vs sub-market (CY16-H1CY22)	38
Chart 39: Nexus Hyderabad tenant sales trend	38
Chart 40: Nexus Hyderabad mark-to-market opportunity	39
Chart 41: Nexus Hyderabad area expiry schedule	39
Chart 42: Nexus Koramangala tenant mix by gross rentals (as of Dec 31, '22)	40
Chart 43: Nexus Koramangala historical marginal rent growth vs sub-market (CY16- H1CY22)	40
Chart 44: Nexus Koramangala tenant sales trend	40
Chart 45: Nexus Koramangala mark-to-market opportunity	41
Chart 46: Nexus Koramangala area expiry schedule	41
Chart 47: Nexus Vijaya tenant mix by gross rentals (as of Dec 31, '22)	42
Chart 48: Nexus Vijaya historical marginal rent growth vs sub-market (CY16-H1CY22) ..	42
Chart 49: Nexus Vijaya tenant sales trend	42
Chart 50: Nexus Vijaya mark-to-market opportunity	43
Chart 51: Nexus Vijaya area expiry schedule	43
Chart 52: Nexus Westend tenant mix by gross rentals (as of Dec 31, '22)	44
Chart 53: Nexus Westend historical marginal rent growth vs sub-market (CY16-H1CY22)	44
Chart 54: Nexus Westend tenant sales trend	44
Chart 55: Nexus Westend mark-to-market opportunity	45
Chart 56: Nexus Westend area expiry schedule	45
Chart 57: Nexus Esplanade tenant mix by gross rentals (as of Dec 31, '22)	46
Chart 58: Nexus Esplanade historical marginal rent growth (CY18-H1CY22)	46
Chart 59: Nexus Esplanade tenant sales trend	47
Chart 60: Nexus Esplanade mark-to-market opportunity	47
Chart 61: Nexus Esplanade area expiry schedule	47
Chart 62: Nexus Amritsar tenant mix by gross rentals (as of 31 Dec'22)	48
Chart 63: Nexus Amritsar historical marginal rent growth vs sub-market (CY16-H1CY22)	48
Chart 64: Nexus Amritsar tenant sales trend	49
Chart 65: Nexus Amritsar mark-to-market opportunity	49
Chart 66: Nexus Amritsar area expiry schedule	49
Chart 67: Nexus Shantiniketan tenant mix by gross rentals (as of Dec 31, '22)	50
Chart 68: Nexus Shantiniketan historical marginal rent growth vs sub-market (CY18- H1CY22)	50
Chart 69: Nexus Shantiniketan tenant sales trend	51
Chart 70: Nexus Shantiniketan mark-to-market opportunity	51
Chart 71: Nexus Shantiniketan area expiry schedule	51
Chart 72: Nexus Whitefield tenant mix by gross rentals (as of Dec 31, '22)	52

Chart 73: Nexus Whitefield historical marginal rent growth vs sub-market (CY16-H1CY22)	52
Chart 74: Nexus Whitefield tenant sales trend	53
Chart 75: Nexus Whitefield mark-to-market opportunity	53
Chart 76: Nexus Whitefield area expiry schedule	53
Chart 77: Nexus Celebration tenant mix by gross rentals (as of Dec 31, '22)	54
Chart 78: Nexus Celebration historical marginal rent growth (CY16-H1CY22)	54
Chart 79: Nexus Celebration tenant sales trend	55
Chart 80: Nexus Celebration mark-to-market opportunity	55
Chart 81: Nexus Celebration area expiry schedule	55
Chart 82: Fiza by Nexus tenant mix by gross rentals (as of Dec 31, '22)	56
Chart 83: Fiza by Nexus historical marginal rent growth vs sub-market (CY16-H1CY22)	56
Chart 84: Fiza by Nexus tenant sales trend	57
Chart 85: Fiza by Nexus mark-to-market opportunity	57
Chart 86: Fiza by Nexus area expiry schedule	57
Chart 87: Nexus Centre City tenant mix by gross rentals (as of Dec 31 '22)	58
Chart 88: Nexus Centre City historical marginal rent growth (CY18-H1CY22)	58
Chart 89: Nexus Centre City tenant sales trend	59
Chart 90: Nexus Centre City mark-to-market opportunity	59
Chart 91: Nexus Centre City area expiry schedule	59
Chart 92: Nexus Indore Central tenant mix by gross rentals (as of Dec 31, '22)	60
Chart 93: Nexus Indore Central historical marginal rent growth vs sub-market (CY16-H1CY22)	60
Chart 94: Nexus Indore Central tenant sales trend	61
Chart 95: Nexus Indore Central mark-to-market opportunity	61
Chart 96: Nexus Indore Central area expiry schedule	61
Chart 97: Treasure Island tenant mix by gross rentals (as of Dec 31, '22)	62
Chart 98: Treasure Island historical marginal rent growth vs sub-market (CY16-H1CY22)	62
Chart 99: Treasure Island tenant sales trend	63
Chart 100: Treasure Island mark-to-market opportunity	63
Chart 101: Treasure Island area expiry schedule	63

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