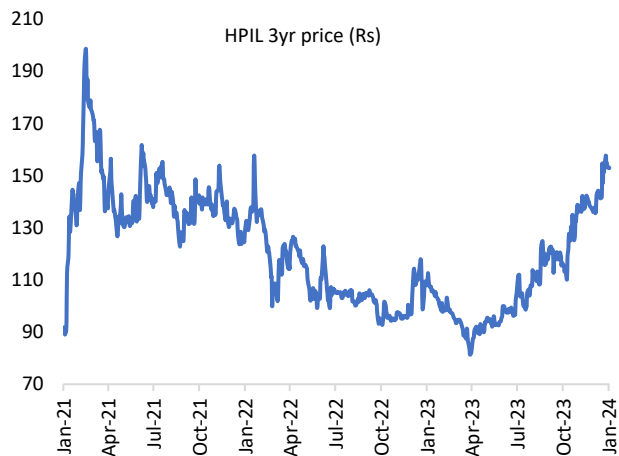


Company Profile:

Hemisphere Properties India Ltd (HPIL) was formed as part of the disinvestment exercise carried out by the Government of India in respect of its holdings in the erstwhile VSNL (currently known as Tata Communications Limited).

The company currently owns or have access to 739.69 acres of land, transferred in terms of the Scheme of Arrangement. The surplus Land has been transferred as a part of the overall scheme of disinvestment of the erstwhile Videsh Sanchar Nigam Limited. Upon completion of the transfer, the company will seek to develop and/or transfer the Surplus Land in accordance with the policies of the Ministry of Housing and Urban Affairs and the management.



Details of land bank		
Sl. No	Location	Area (in acres)
A.	Pune:	
	Dighi	196.21
	Bhasari	132.13
	Dighi Defense	92.55
	Bhopkel	88.11
	Kalas	15
	Sub Total (A)	524
B.	National Capital Region	
	Greater Kailash	69.46
	Chattarpur	58
	Sub Total (B)	127.46
C.	Padianallur, Chennai	53.04
D.	Halisahar, Kolkata	35.19
Total (A+B+C+D)		739.69

Source: Annual report

Details of the land banks

Pune Land parcel: The land parcel is sharing boundary with Tata communication Limited, STT Global data centres India Pvt Ltd. The land is properly fenced and demarcated and there are no encroachment on this land parcel. However, there are some litigation pertaining to this land which are still going on. It has excellent visibility from twenty-four-meter-wide Pune-Alandi road and can be easily reachable from Pune International Airport and Pune Railway Station by BRT buses and local commutes.

As per the Draft Development Plan of Pimpri-Chinchwad Municipal Corporation (PCMC), Pune land Parcel is designated for transmission site under PSP use (Public and Semi Public) and primarily allotted for construction of Radio Transmitting Station. The Company's management has explored the possibility of constructions of Data centres, Commercial office spaces, IT Parks and residential zone as the end product. Pune land parcel is located in a predominantly nearby Defence land and some

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residential area too and also it is nearby Bhosari MIDC industrial area, it was analysed that the Site could be developed as data centres hub and mixed-use residential development plan keeping the existing development and market demand.

Greater Kailash Land Parcel: The land parcel measures 69.46 acres and is situated near the outer ring road, New Delhi. It is a vacant parcel with good connectivity, just 20 kilometres from the airport. The site is one of the most expensive land parcels owned by the company and is designated as Public & Semi Public in the Masterplan of Delhi 2021. Fencing has been done to demarcate the land, and a digital survey of the site has already been done. *The mutation work, of the land parcel is under process.*

Chattarpur: The site is around 1 km from Chattarpur metro station and 600m away from MG road which provide excellent connectivity to all the prominent location to NCR, primarily to central Delhi, south Delhi and Gurgaon. The IGI airport is about 15km from the site. The neighbourhood of land parcel comprises of buildings of low-rise format and farmhouses. *The Mutation of site is in name HPIL & Property tax document and UPIC ID of land is also on the name of HPIL.*

Padianallur, Chennai: The Site is located in northern part of the city. It is primarily accessible via 26 m wide Kolkata-Chennai National Highway that further connects to Chennai Outer Ring Road and nearest railway station is Korattur which is approx.14.5 km away and nearest metro station is Thirumangalam metro station which is located at a distance of approx. 16.5 km. The prominent areas around the site are Red hills, Puzhal, Ambattur, Madhavaram, Perungavur, Gandhi Nagar, Sholavaram, Pothur and Kesarwadi etc. The Site region enjoys good connectivity with other parts of the city via well laid road and metro network.

Based on market assessment, the site could be used for Residential Group Housing Project with Affordable development grade & Data centre with multiple incentives, is another typology recommended.

Halisahar, Kolkata: The land measuring 35.19 acre, located at Halisahar, North 24 Parganas, West Bengal. The site is located very near to Bagmore which is situated at northern part of Halisahar. The land parcel is positioned in such a way that it has access of 8 – meter from Bizpur Workshop Road and connected to Kabuguru Ravindra path via narrow local road from northern side. The Site locality is predominantly consisting of residential zone, small scale timber industries, dilapidated jute mills with limited clustered commercial and mixed used activities. The Site is easily reachable by roads and has excellent connectivity via bus, train and other tertiary transportation services. The land parcel falls under Commercial, water body and bank of water body land use categories. There are several water bodies present within the site. The land is free from encroachment and proper security is deployed. There is no ongoing litigation on this land.

Considering the upward trend for independent houses. The land Parcel is feasible to develop gated residential plots where target segment will be resident of Halisahar & Kalyani and mid segment buyers from Kolkata.

Management Profile:

Smt. D Thara, Chairperson & Managing Director: November, 2019 who has been assigned additional charge through the order of Ministry of Housing & Urban Affairs (MoHUA). She is presently acting as

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Additional Secretary under MoHUA and a 1995 batch Gujarat cadre IAS officer. Besides many prominent role in the Government service, she also served as and Managing Director of Gujarat Industrial Development Corporation (GIDC).

Area of Operations of HPIL

- The main object of HPIL is to acquire construct, hold, manage, develop, preserve and to deal in any other manner with the properties including sale and purchase thereof.
- To collect and settle revenue, rental, lease charges and such other charges as may be payable by any entity against legitimate use of such property.
- To carry out business of developing, holding, owing, leading or licensing real estate and property of all kinds for this purpose acquiring purchase or through lease license, barter and exchange hire or otherwise.
- To carry out the business of building construction and development of commercial building, industrial shed, offices, house buildings, apartment, structures, hotels or other allied works of every description on any land acquired howsoever by the company whether on ownership basis or lease or licensee and to deal with such construction or developed or build premises by letting out, hiring or sale.

Major activities during FY23:

- Mutation for Pune land parcel.
- Mutation of Chattarpur Land parcel
- Payment of stamp duty in for registration of land in Chennai.
- Filed application of change in land use of Chattarpur
- Generating income from leasing of Pune land.
- In-discussion for renting/leasing out the pre-constructed building on Pune land.
- Engaging Transaction Advisor for Pune Land parcel .’
- Initiated the Activity to Access the demand as per current land use of Pune.
- Conducted exercise regarding Demand Discovery/Expression of Interest for Chattarpur (farmhouses).
- Conducted as Stakeholders’ Meet,2023 in Pune for creating awareness and accessing demand.
- Application of mutation of Kolkata is in final phase.
- Regular meeting with Pune Competent Authorities regarding present land uses.

Business Development Plans

As per Annual report, 2023, the Company has taken over the possession of land parcel and appointed CPWD for land maintenance & security for preventing any kind of encroachments. The Company has registered its name for Pune, Chattarpur & registration charges are paid for Chennai & Kolkata. The applications are pending before the Competent Authorities.

HPIL has conducted the due diligence for all the land parcel in FY 2021-22 and it was decided to move forward with Chattarpur land parcel. The demand discovery through expression of Interest was conducted for ascertaining demand of Farmhouses. The Company has obtained sufficient response to go ahead. Application for change in land use was filed with the Competent Authority and same is pending.

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The Management with the concurrence of Ministry of Housing and Urban Affairs will evaluate each land parcel and examine all available options available for further development of the Land. We will consider the proposals for growth in order to generate maximum revenue.

The Company received in-principle approval from Ministry of Finance for Rs 751.00 crores for the payment towards stamp duty to give effect transfer of Title in the name of the Company and meet the need of other working capital requirements in due course of business. The Company till date has received Rs 180 crore in form of equity and loan, the remaining money shall be received in tranches or in lumpsum as per the decision of Ministry of Finance.

Shareholding pattern:

HPIL is a government company and Tata group (Tata Sons and Panatone Finvest) still holds 18.1% in the company.

Shareholding Pattern					
Category	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Promoters (President of India)	51.12%	51.12%	51.12%	51.12%	51.12%
FII's	1.30%	1.32%	1.12%	0.62%	0.72%
DII's	0.32%	0.32%	0.32%	0.35%	0.35%
Public	47.25%	47.25%	47.46%	47.91%	47.79%
Tata Sons Private Ltd	8.34%	8.34%	8.34%	8.34%	8.34%
Panatone Finvest Ltd	9.80%	9.80%	9.80%	9.80%	9.76%

Financials:

The company didn't have any operations until FY23 when it started generating revenue from rentals which is amounting to Rs 2 crores from Pune Land parcel and Rs 0.4 crore in 9MFY24.

Hemisphere Properties India Ltd. (Rs Crores)					
Particulars	9MFY24	FY23	FY22	FY21	FY20
Net Sales	0.4	2			
Total Expenditure	6.8	9.8	16	9.1	0.2
PBIDT (Excl OI)	-6.4	-7.8	-16	-9.1	-0.2
Other Income	5.8	6.5	3.2	0.4	0.1
Operating Profit	-0.6	-1.3	-12.8	-8.8	-0.1
Interest	4.9	6.7	5.8	1.3	0.2
PBT	-5.5	-8	-18.6	-10.1	-1
Tax		-1.5	-3.8	-2.6	-0.3
Profit After Tax	-5.5	-6.5	-14.9	-7.4	-0.8
Equity Capital	285	285	285	285	285
Face Value (In Rs)	10	10	10	10	10

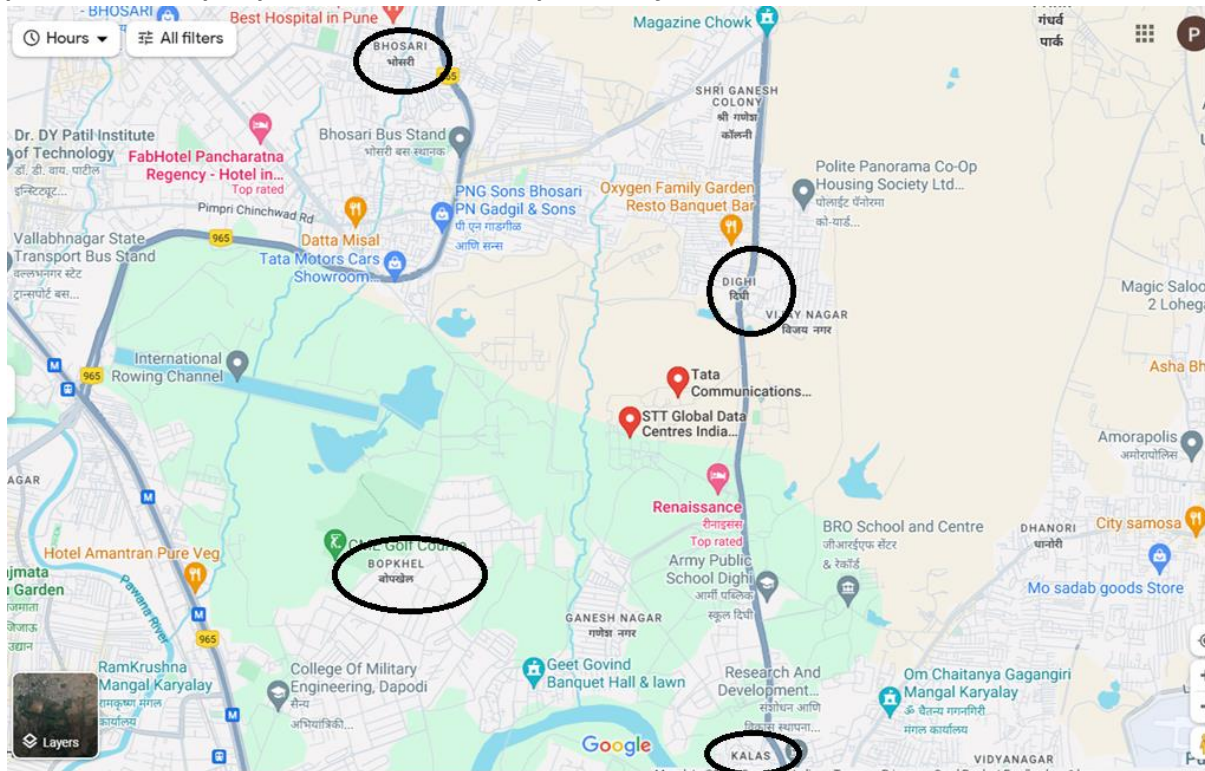
Valuation of land (through Insolvency and Bankruptcy Board of India, Registered Valuers)

Valuation of land, May 2022			
Location	Area in square meter (in million)	Area in Acre	Estimated value of land (Rs cr)
Dighi, Pune	2.12	524	2,264
Padianallur, Chennai	0.21	53.04	417
Greater Kailash, Delhi	0.28	69.46	7,102
Chattarpur, Delhi	0.24	58	729
Halishahr, Kolkata	0.14	35.19	90
	2.99	739.69	10,602

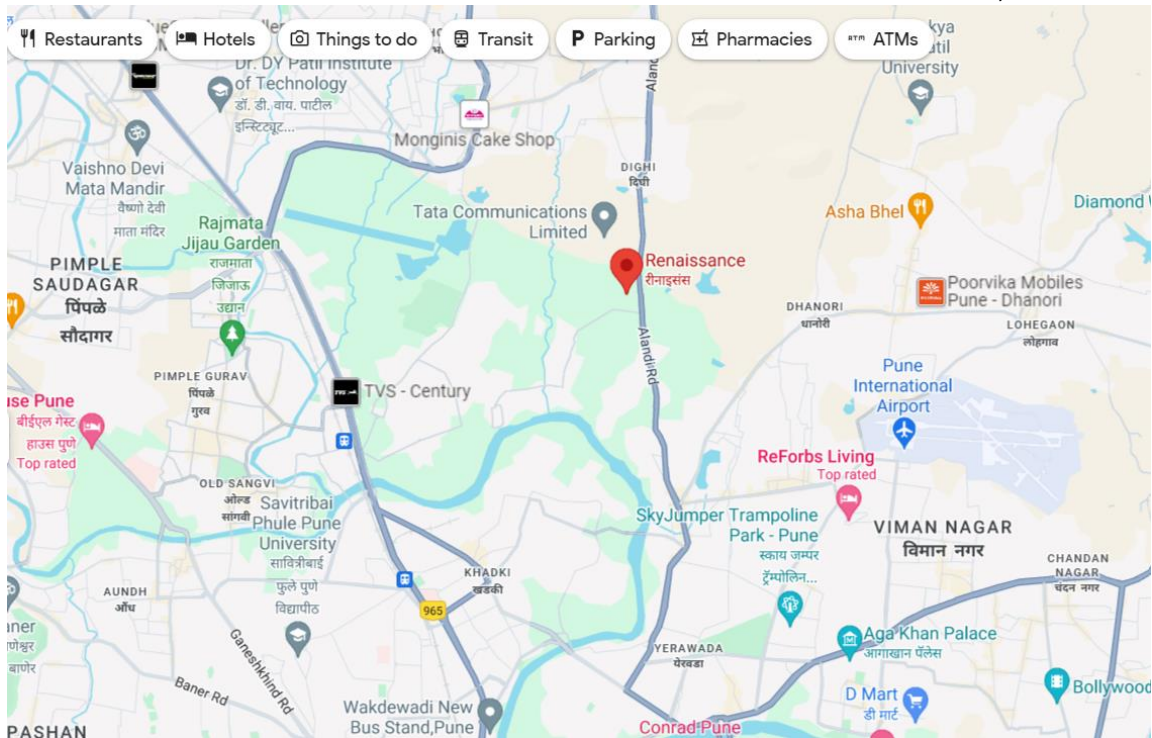
Source: Annual Report FY23

Further Details/updates on land banks

Pune Land Bank: As stated in Annual report, the land parcel is sharing boundary with Tata communication Limited, STT Global data centres India Pvt Ltd. **Those two are the highlighted red pin points in the map to provide an idea on the position of land.**



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FY23 annual report further states that the land parcel also includes two buildings namely Opal A2 and Renaissance, which were built before the Disinvestment of VSNL and vacant open. **Renaissance has been highlighted (pinned up) in the map above.**

Annual report states that the property falls on Alandi road, Dighi, Pune (Alandi road can be clearly seen on the maps) and falls under the under four Villages: a.Dighi b.Kalas c.Bopkhel d.Bhosari. **The Four villages have been circled in 1st map. Dighi and Kalas falls on Alandi road while Bopkhel and Bhosari are far stretched on the left.**

It has excellent visibility from twenty-four-meter-wide Pune-Alandi road and can be easily reachable from Pune International Airport and Pune Railway Station by BRT buses and local commutes.

It's an industrial area with lot of SMEs in the area. The average price is ~Rs 49,000 per square meter, which translates into ~Rs 10,000 crore.

However, as per the Draft Development Plan of Pimpri-Chinchwad Municipal Corporation (PCMC), Pune land Parcel is designated for transmission site under PSP use (Public and Semi Public) and primarily allotted for construction of Radio Transmitting Station. The Company's Management has explored the possibility of constructions of Data centres, Commercial office spaces, IT Parks and residential zone as the end product. Pune land parcel is located in a predominantly nearby Defence land and some residential area too and also it is nearby Bhosari MIDC industrial area, it was analysed that the Site could be developed as data centres hub and mixed use residential development plan keeping the existing development and market demand.

There was some apprehension with regards to valuation of the land and development potential due to classification for PSP use. However, as per Q3FY24 update, the land use for land parcels of 88.19 acres at Bopkhel village has been changed from Public and semi-public (PSP) to Residential by the Competent Authority. The company, being a government one, could have an advantage and over time, if it is able

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to change status for all of Pune Land parcels, it would fetch much higher value. There was also some apprehension considering that the land is near Pune Defence area. The Government is also implementing changes to defence land policy wherein Land belonging to armed forces marked as essential for major public projects would be exchanged for other lands of equal value or bought at market prices.

Greater Kailash Land Parcel:

Land valuation is usually at Rs 300 crore per acre which translates to Rs 20,000 crore. On a conservative basis, it would fetch Rs 15,000 crore.

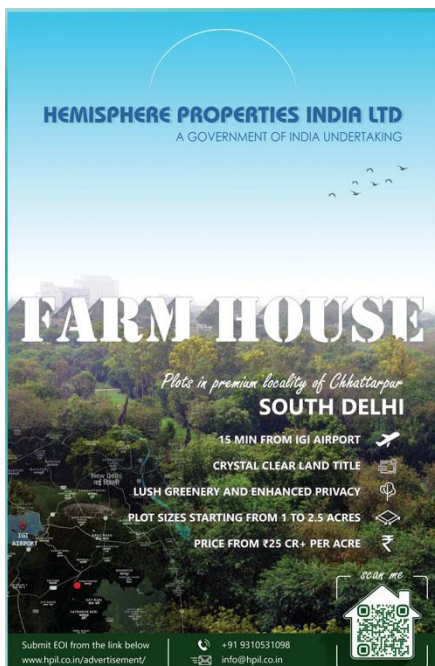
Padianallur, Chennai

The Site is located in northern part of the city. It is primarily accessible via 26 m wide Kolkata-Chennai National Highway that further connects to Chennai Outer Ring Road and nearest railway station is Korattur which is approx.14.5 km away and nearest metro station is Thirumangalam metro station which is located at a distance of approx. 16.5 km. The prominent areas around the site are Red hills, Puzhal, Ambattur, Madhavaram, Perungavur, Gandhi Nagar, Sholavaram, Pothur and Kesarwadi etc. The Site region enjoys good connectivity with other parts of the city via well laid road and metro network.

The land parcel is an undeveloped land falling under Mixed Residential zoning as per the Master Plan of CMA -2026.

There are few industrial players, mostly SMEs and others residential construction in the area. Valuation of the land usually is ~Rs 7-8 crore per acre, translating into ~Rs 400 crore. Thus, the valuation provided by the company (as per valuation report) is pretty close.

Chattarpur, Delhi



The company has already put on advertisement

Source: Company website

Halisahar, Kolkata

The Site is located very near to Bagmore which is situated at northern part of Halisahar. The land parcel is positioned in such a way that it has access of 8 – meter from Bizpur Workshop Road and connected to Kabuguru Ravindra path via narrow local road from northern side. The Site locality is predominantly consisting of residential zone, small scale timber industries, dilapidated jute mills with limited clustered commercial and mixed used activities. The Site is easily reachable by roads and has excellent connectivity via bus, train and other tertiary transportation services.

Usual valuation is at Rs 2.5 crore per acre, translating into value of Rs ~90 crore. The valuation as provided by the company is also Rs 90 crore.

Valuation of land, as per tentative market rate			
Location	Area in square meter (in million)	Area in Acre	Estimated value of land (Rs cr)
Dlghi, Pune	2.12	524	10,000
Padianallur, Chennai	0.21	53.04	417
Greater Kailash, Delhi	0.28	69.46	15,000
Chattarpur, Delhi	0.24	58	1,450
Halishahr, Kolkata	0.14	35.19	90
	2.99	739.69	26,957

Quarterly updates:

As per Q2FY24 Financial results

Land parcels:

- Pune: The Company has engaged Jones Lang LaSalle as Transaction Advisor for Pune land parcel. Activity for monetization of land parcels is being considered by the Transaction Advisor.
- Halisahar (Kolkata): The Company has filed the application to concerned Revenue Authority for mutation of Halisahar land parcel. The same is under consideration of Revenue Authorities. The Company has also floated the Request for Proposal (RFP) for selection of Transaction Advisor/Consultant for development of land parcels
- Chennai land mutation: The Company has paid the stamp duty of ₹ 774.29 lacs on executing conveyance deed of the Chennai land parcel and patta transfer is pending with concerned Authorities

As per Q3FY24 Financial results

- Pune land: The land use for land parcels of 88.19 acres at Bopkhel village has been changed from Public and semi-public (PSP) to Residential by the Competent Authority.
- Halisahar, Kolkata, Land: The Company has appointed Jones Lang LaSalle Property Consultants (India) Pvt. Ltd as Transaction Advisor for Kolkata Land parcel.

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View:

HPIL trades at nearly 60% compared to the land valuation report (May 2022) and ~84% compared to potential land value (as assessed based on the tentative market rates). The official land valuation report might be conservative, however, being a government company, value unlocking might take some more time. Having said that, the company is expediting the process and providing updates every quarter. Besides, the change in use of land for the Pune land parcel towards residential projects, could eventually garner much higher valuations. The company is also trying to rent land to Corporates and Data centers which are in pipe line, and once that happens, they can also generate substantial revenue in the interim. Besides, they have also advertised for Chhattarpur land and the Greater kailash land is already a gem. Lastly, these are just the potential land values which are considered, and when the company collaborates for development of these parcels for residential projects, the potential could be way higher. We are hence, bullish on Hemisphere Properties considering the value it might unlock, when everything falls, into place, one by another.

Contact Us**(033) 40006800****service@easternfin.com**

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