

# Management Discussion and Analysis

The discussion and analysis of the activities, financial condition and results of operations that follow are based on the audited Consolidated Financial Statements of Brookfield India REIT and audited standalone financial statements of the Asset SPVs and CIOP for the Financial Year ended March 31, 2021, there being no comparable financial statements (standalone and consolidated) available for Brookfield India REIT for the previous years. Brookfield India REIT was settled on July 17, 2020 by the Manager as a contributory, determinate and irrevocable trust under the provisions of the Indian Trusts Act, 1882. Accordingly, the standalone financial statements of Brookfield India REIT is prepared from July 17, 2020 to March 31, 2021.

Brookfield India REIT acquired the entire shareholding (including convertible securities) held by the Sponsor and certain members of the Sponsor Group, in each of the Asset SPVs and CIOP, in exchange for Units on February 8, 2021. Accordingly, the Consolidated Financial Statements of Brookfield India REIT are prepared by consolidating the Asset SPVs and CIOP from February 8, 2021 to March 31, 2021.

While discussing the activities, financial conditions and results of operations of Brookfield India REIT, the comparison of certain key financial and operational metrics for the Financial Year ended March 31, 2021 are done on a standalone basis with the key financial and operational metrics for the year ended March 31, 2020 for the Asset SPVs and CIOP based on their historical financial statements. Further, certain comparison are done on a consolidated/combined basis and are subject to elimination of transactions and balances between the Asset SPVs and CIOP. Further, wherever full year financial numbers of Brookfield India REIT are presented, the same are derived from the audited combined financial statements for Financial Year ended March 31, 2020 (assuming that Brookfield India REIT held the Portfolio in its present form as of April 1, 2019) and from unaudited

consolidated financial statements of Brookfield India REIT for the year ended March 31, 2021.

The financial information for the Financial Year ended March 31, 2021 included herein is being presented to provide a general overview of Brookfield India REIT's performance on the basis of certain key financial and operational metrics for general information purposes only and does not purport to present a comprehensive representation of the financial performance of Brookfield India REIT for this period. Brookfield India REIT, the Trustee and the Manager make no representation, express or implied, as to the suitability or appropriateness of this information to any investor or to any other person. Certain information contained herein constitutes forward-looking statements. Actual events or results or the actual performance of Brookfield India REIT may differ materially from those reflected or contemplated in such forward-looking statements as they involve known and unknown risks, uncertainties and changes beyond the control of Brookfield India REIT. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements or information include but are not limited to general economic conditions, changes in interest and exchange rates, availability of equity and



debt financing and risks specific to underlying portfolio company investments. Due to various risks, uncertainties and changes beyond the control of the Manager, the actual performance of Brookfield India REIT could differ materially from the projected results set forth herein.

For easy and simplicity of representation, certain figures may have been rounded off to the nearest number.

The Manager is not obligated to publicly amend, modify, or revise any statements herein on the basis of any subsequent development, information or events, or otherwise. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements. Please refer to the disclaimer section at the end of this report for a discussion of the risks and uncertainties related to those statements. This discussion should be read in conjunction with Brookfield India REIT's Audited Consolidated Financial Statements and Audited Standalone Financial Statements included in this report and the accompanying notes to accounts.

**EXECUTIVE OVERVIEW**

Brookfield India REIT is India's only 100% institutionally managed real estate investment trust. It was successfully listed on the Stock Exchanges on February 16, 2021, in the midst of a global pandemic. The overwhelming investor response to Brookfield India REIT's initial public offer reflected investor confidence in our business model and the long-term prospects of the real estate sector.

Brookfield India REIT owns four large campus-format office parks located in some of India's key gateway markets – Mumbai, Gurugram, Noida and Kolkata – spanning 14.0 M sf of Leasable Area comprising of 10.3 M sf of Completed Area, 0.1 M sf of Under Construction Area and 3.7 M sf of Future Development Potential. Our office parks provide a complete ecosystem to our tenants and their employees and are among the highest quality office parks in India, distinguished by their size and scale with easy access to mass transportation, high barriers to entry for new supply, limited vacancy and robust historical rental growth rates.

The office parks primarily serve marquee tenants especially in the fast-growing technology sector of India. As of March 31, 2021, Brookfield India REIT's Portfolio comprises of 118 tenants with 74% of Gross Contracted Rentals across different sectors of the economy. The breakup of the sector-wise contribution of Gross Contracted Rental is given below.

**91%<sup>1</sup>**

**SAME STORE  
COMMITTED OCCUPANCY**

**6.5**

**WALE (YEARS)**



<sup>1</sup> Excluding Candor TechSpace N1, Noida Tower 5 (0.5 M sf) completed in September, 2020



**SECTOR-WISE CONTRIBUTION OF GROSS CONTRACTED RENTAL**

**19%**  
ACCENTURE  
Consulting

**17%**  
TATA CONSULTANCY  
SERVICES  
Technology

**10%**  
COGNIZANT  
Technology

**7%**  
SAPIENT  
Technology

**6%**  
RBS<sup>1</sup>  
Financial  
Services

**4%**  
BANK OF AMERICA  
CONTINUUM  
Financial Services

**3%**  
E&Y<sup>1</sup>  
Financial  
Services

**3%**  
BARCLAYS  
Financial  
Services

**3%**  
AMDOCS  
Technology

**2%**  
WIPRO  
HR Services and  
Technology

**74%**  
TOTAL

<sup>1</sup> Includes its affiliates.



These fully integrated, campus-format office parks are stabilized with 93% of the value from operational buildings and a Same Store Committed Occupancy of 91%. With a WALE of 6.5 years, these assets have a high degree of visibility of future rentals. The key operating metrics as on March 31, 2021 of the Portfolio are given below.

Asset	Area M sf			Leased Area					Market Value (₹ B)
	Completed Area	Future Development Area	Total	Area in M sf	# Office Tenants	Same Store Committed Occupancy %	WALE (Yrs.)	In-place rent (₹ P sf)	
Kensington, Powai, Mumbai	1.5	-	1.5	1.3	8	86	2.5	92	25
Candor TechSpace G2, Gurugram	3.9	0.1	4.0	3.6	15	92	7.0	80	44
Candor TechSpace N1, Noida	1.9	0.9	2.8	1.3	19	96	7.3	46	20
Candor TechSpace K1, Kolkata	3.1	2.7	5.7	2.8	15	91	7.3	43	26
<b>Consolidated REIT</b>	<b>10.3</b>	<b>3.7</b>	<b>14.0</b>	<b>9.0</b>	<b>52</b>	<b>91</b>	<b>6.5</b>	<b>65</b>	<b>115</b>

### COLLECTIONS

99%+

OPERATING LEASE RENTALS COLLECTED

9%

AVG ESCALATION ON 3.7 M sf OF LEASABLE AREA

### LEASING

673,000

SF

17%

AVERAGE RE-LEASING SPREAD

### OCCUPIER RETENTION

78%

### MARK TO MARKET POTENTIAL

31%

During FY2021, total leasing stood at 0.7 M sf, comprising 0.1 M sf of new leasing and 0.6 M sf of renewals. We achieved an average re-leasing spread of 17% on these renewals and a total occupier retention<sup>1</sup> of 78% during the year. Due to the sudden surge in COVID-19 infection, new leasing decisions by tenants were largely deferred during the past year, however, existing tenants continued to renew their leases. The leasing decisions are now expected to resume meaningfully as COVID-19 infections are subsiding in the country with increased vaccination efforts.

Our Manager effectively used the period of low physical occupancy at our office spaces to upgrade our campuses to provide an enhanced experience to our tenants when they return to office. We continue to invest in making our campuses more energy efficient and augment the health and safety standards. Our asset improvement programs including expansion of the food court and health club

at Candor TechSpace K1, expansion of the food court at Candor TechSpace N1, landscaping in Candor TechSpace G2 and upgrades of the lobbies and podium area at Kensington are progressing as per plan.

Brookfield India REIT also has the exclusive right to acquire office parks, currently owned by the Brookfield Group, each in Gurugram and Noida comprising of 8.3 M sf, which are substantially similar in quality and grade to the Portfolio. In addition, Brookfield India REIT has a right of first offer on Brookfield Group's 100% owned commercial real estate assets in India's financial capital, Mumbai, comprising 6.7 M sf. A combination of these properties could potentially grow Brookfield India REIT's Leasable Area to 29 M sf, more than doubling the size from the current area owned today. We continue to evaluate opportunities for inorganic growth of the Portfolio from

these rights on the office parks owned by the Brookfield Group as they become value accretive to our Portfolio.

Brookfield India REIT seeks to provide risk-adjusted total returns to its Unitholders through:

- Stable yield supported by our Portfolio's long-term contracted cash flows
- Property level income growth through contractual rent escalations, mark to market potential and in-situ development potential
- Acquisitions including that of the Identified Assets and the ROFO Properties and
- Asset value appreciation, through continuous investment in the properties to upgrade them.

We believe we can meet this objective by maximizing the performance of our high-quality Portfolio through:

- Proactive Portfolio management led by an experienced and best-in class management team
- A prudent capital structure
- Corporate governance framework aligned with global best market practices and
- Access to Brookfield's global expertise, relationships and experience of managing similar public market vehicles.

### THE CURRENT BUSINESS ENVIRONMENT

The global outbreak of the COVID-19 pandemic, including India in 2020 had resulted in a period of economic downturn and business disruptions. From a business continuity perspective, we ensured that our properties stayed 100% operational during the lockdown with elevated health and safety standards in place. Against this backdrop, our Portfolio continues to remain resilient and existing occupiers continue to see value in retaining their spaces. The Portfolio had rental collections of 99.2% for FY2021 and realized organic growth by achieving a 9% average rental escalation on 3.7 M sf of leasable area during FY2021 as per contractual terms. This is a testament to our deep-rooted relationship with our occupiers and the value proposition that our institutional quality properties bring to the table.

As the pandemic seemed to subside in the second half of FY2021, leasing discussions started to pick up and occupiers were looking to resume their 'back to office' plans. However, the second wave of infections from March 2021 have resulted in localized lockdowns. While new leasing decisions have been delayed, we expect discussions to pick up again as the case load in the country reduces with an acceleration in vaccination. We have also initiated COVID-19 vaccination drives across our campuses for our employees, service providers and tenants, and we hope to work alongside the government bodies to fast track the vaccine rollout.



## GROWTH POTENTIAL IN THE TECHNOLOGY SECTOR

The Indian technology industry has successfully transitioned from being a low-cost business process outsourcing location to a hub for high-end value-added services and digital business offerings (Internet of Things, cloud, analytics, blockchain). The number of people employed in this industry has grown eleven times between FY2001 and FY2021E. The sector is expected to grow at a CAGR of 13% to US\$ 350 billion in FY2025 from US\$ 190 billion in FY2020. Despite the pandemic, the Indian technology sector has performed better than comparative global benchmarks. While first quarter of FY2021 was most difficult period in terms of revenue growth, the next two quarters saw positive growth rates driven largely by digital transformation service and revenue conversion from deals. On account of continuous investments in digital innovations, businesses need skilled workforce and better logistics. This, in turn is, expected to help in job creation and demand for real estate<sup>1</sup>.

Both Indian companies and Global In-house Centers (GICs) (also known as Global Capability Centers (GCCs), are leading the innovation in the sector and providing a full suite of services to their clients. This innovation led growth has helped drive the growth of high value-added digital technologies, which are expected to grow from 29% of the industry revenues in FY2021 to 38% by FY2025E. The availability of high-quality talent makes this innovation possible, and coupled with a low cost of operations, attracts global companies to set up GICs in India. India accounts for around 45% of the global GICs at present and the space leased by GICs has grown fivefold during 2014-19. The share of GICs in the overall office demand has also risen from 8% to more than 27% during this period. As organizations navigate through technology-induced disruption of business models, GICs in India will play an ever-increasing role to prepare organizations for the “new normal” and, at the same time, adhere to the principles of cost excellence. The fundamental growth in GICs will drive demand for high quality Grade A office spaces in India<sup>1</sup>.

In this context, please also refer the Industry Section of this report on Page No. 16.

## LONG-TERM OPPORTUNITIES FOR GRADE A OFFICE PARKS

We believe that in the long-term workplaces are important platforms to congregate and collaborate. In addition, global discussions around employee wellness and stringent safety norms have gained prominence, which are expected to help demand for Grade A office parks. The following are some of the long-term and sustainable growth opportunities for increase in demand for Grade A office parks, to bring back the growth momentum and to ensure tenants come back to offices.

- **Work From Home:** Work from home, which has been the need of the hour for ensuring business continuity during the pandemic, is unlikely to be sustainable in the long-term. Many households in India do not have adequate infrastructure such as secure internet connectivity, a dedicated workspace and appropriate furniture and fit-outs to achieve optimal work productivity. Indian office market offers cheaper rentals compared to major global hubs. Savings in real estate expenditure for information technology service companies is likely to be marginal as it forms a smaller share of their total expenses. Rather, work from home can make it more challenging for companies to build a positive office culture, retain attractive talent and manage employee morale.
- **De-densification:** Occupiers are increasingly looking to re-assess their office layouts to ensure compliance with health and safety norms. We expect the average space per employee to increase over the coming years, which is likely to further drive the demand for office space.
- **Demand for High Quality Assets:** The COVID-19 pandemic has highlighted the need for superior services and a focus on health and safety. We expect a greater share of demand to shift to Grade A properties that offer best-in-class services and safety. Low density ‘campus style’ developments are likely to be more attractive for tenants.
- **Supply Disruption:** We believe there is a likely disruption to the supply of comparable Grade A office stock owing to a severe disruption in ability to access liquidity and funding for developers in India and disruption and increased costs in labor and materials. This will lead to significant financial stress on the balance sheet of most developers in the country leading to a shortage of supply or consolidation of stock. With our high-quality real estate assets and strong growth profile, we are well poised to exploit the opportunities arising from this slowdown in the market.
- **Resilient Rentals:** Rentals in high-quality institutional properties have remained robust. Tenants see value in retaining their existing office spaces and have been paying contractual escalations. The strong growth in the technology industry and continued headcount additions will drive long-term demand for quality office space. The Portfolio has achieved rental collections of 99.2% for FY2021 and has a mark to market potential of 31%.

Our Manager is closely monitoring the impact of COVID-19 and the evolving trends on all aspects of business and operations, including on the tenants and the preventative or protective actions of the central, state and local governments on the relevant aspects of our Portfolio

and working towards capitalizing on the emerging opportunities in the operating landscape.

## SIGNIFICANT FACTORS AFFECTING OUR ACTIVITIES, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

As we continue our activities, business and operations face certain risks and challenges, which may have an adverse effect on our business, results of operations and financial condition, which are discussed below. In this context, please also refer to the “Risk Factors” section of this report on page 134-135.

### (i) General economic conditions, particularly in the cities and the micro-markets where the Portfolio are located and certain industry sectors in which material tenants operate

The general economic condition of India, the state of the overall commercial real estate and particularly the performance of commercial real estate in the markets of Gurugram, Noida, Kolkata and Mumbai, where the Portfolio is located, have a significant impact on our results of operations. The supply and demand for commercial real estate is affected by several factors including prevailing economic, income and demographic conditions, domestic employment levels, changes in and manner of implementation of governmental policies, prevailing interest rates, changes in applicable regulatory schemes, demand from multinational corporations, the availability of financing and outbreaks of infectious disease such as COVID-19. Growth in GDP and per capita income in India is likely to result in an increase in demand for commercial real estate. Conversely, a slowdown in the Indian economy could adversely affect our activities, business operations and consequently financial results, especially if such a slowdown is continued and prolonged. Further, global economic conditions may also affect our results of operations since several of our tenants export services or products from India or are affiliates of multinational companies.

We rely on Candor Kolkata (which owns Candor TechSpace G2 and Candor TechSpace K1), which is located in the Gurugram North micro market and Kolkata, East micro market, for a significant portion of our revenues. Rentals from Candor Kolkata (for Candor TechSpace G2) accounted for 42.4% of our combined revenue from operations for the Financial Year ended March 31, 2021 as compared to 42.7% for the Financial Year ended March 31, 2020 while Candor TechSpace K1 accounted for 24.3 % as compared to 23.5% for the Financial Year ended March 31, 2020.

Further, we rely on certain industry sectors for a significant portion of our revenues. As of March 31, 2021, 50 % of the Leasable Area of the our total Portfolio was leased to tenants in the technology sector, while 18 % was leased to tenants in the consulting sector and 19 % was leased to tenants in the financial services sector. Consequently, any developments affecting the demand for commercial real estate in the micro-market or demand from technology, consulting and financial services sectors may affect our business activities.

### (ii) Leasable Area of the Portfolio, including Under Construction Area and Future Development Potential

Our Portfolio comprises 0.1 M sf of Under Construction Area and 3.7 M sf of Future Development Potential, as of March 31, 2021. Despite COVID-19 disruptions, 0.5 M sf in Candor TechSpace N1 was delivered in FY2021. Further, we are on track to deliver 0.1 M sf of amenity block in Candor TechSpace N1 in quarter two of FY2022. We have also started the pre-construction activities for the proposed mixed-use development of 0.5 M sf in Candor TechSpace K1 with an approximate outlay of ₹ 2,207 million. We expect to commence the construction work in the third quarter of FY2022 and subject to the receipt of necessary approvals, complete it by the third quarter of FY2024. Further, we utilized the COVID-19 downtime towards advancing our asset upgrade program across properties; Candor TechSpace K1 upgrades are nearing completion and upgrades across other Asset SPVs are ongoing. The balance capex expected to be incurred across our assets for upgrades is ₹ 502 million.

Before undertaking and planning for construction area and future development, our Manager analyzes recent and expected future demand and supply dynamics along with the absorption trends in the relevant micro-markets. Development is initiated where the Manager believes the demand dynamics are likely to be favorable in the future.

### (iii) Addition of Leasable Area through Acquisitions

Consistent with Brookfield’s growth strategy, our Manager will continue to evaluate potential acquisition opportunities to increase the Leasable Area. This includes acquisition of the Identified Assets for which Brookfield India REIT has a right to acquire and the ROFO Properties in respect of which Brookfield India REIT has the right of first offer as per agreed terms set out under definitive agreements entered by Brookfield India REIT.

<sup>1</sup> Final Industry Report of Cushman & Wakefield India Pvt Limited for March 31, 2021





Candor TechSpace G1, Gurugram

**Inorganic Growth Opportunities**

**IDENTIFIED ASSETS**

**8.3 M sf**  
TOTAL AREA

**7.3 M sf**  
OPERATING AREA

GURUGRAM, NOIDA

**Brookfield India REIT  
has the sole option to  
purchase**

VALIDITY AUGUST 2022

**ROFO PROPERTIES**

**6.7 M sf**  
TOTAL AREA

**4.2 M sf**  
OPERATING AREA

MUMBAI

**Brookfield India REIT  
has a right of first  
offer when existing  
shareholders trigger sale**

VALIDITY FEBRUARY 2026

**(iv) Rental Rates**

Our revenue from operations primarily comprise income from operating lease rentals and maintenance services. Rental rates depend on various factors including the location, quality, upkeep and maintenance of the asset, changes in demand-supply dynamics, competitive pricing pressures, changes in governmental policies relating to zoning and land use, as well as our continued ability to maintain the assets and provide services that meet the requirements of existing and prospective tenants.

Rental rates for office space and space leased for bank branches, ATMs, retail stores and telecom towers in the office parks are generally fixed with periodic rental escalations for the tenure of the leases, while those for food and beverage outlets are generally charged on a revenue sharing basis. Further, our Portfolio have a number of large buildings which often involve large tenants occupying multiple floors in the same building for long durations. Accordingly, the re-lease or renewal of one or more large leases may have a disproportionate impact on rental rates in a given period.

Due to significant leases in our Portfolio being executed more than three – five years back, the assets in the Portfolio have a significant MTM opportunity.

Our Manager believes that the average rental rates for in-place leases at the Portfolio are generally below the current market rates and expects to benefit from the significant upside arising from mark to market potential through upcoming lease renewals.

**(v) Terms of Leases and Occupancy Rates**

The Asset SPVs typically enter into long-term lease agreements with tenants, which provides visibility on future cash flows. The tenure of the leases for the Portfolio depends on the office park and its location, and typically ranges between three to fifteen years with an initial commitment of generally three to five years and the option to renew following the initial commitment period.

Our results of operations are also significantly determined by the levels of Committed Occupancy, which depends on several factors such as demand for and comparable supply of commercial real estate in our micro markets, rental rates in comparison with competing properties, attractiveness of the office parks, the range of amenities and the ability to re-lease space or enter into new leases without significant intervals of time. Our Manager has developed deep tenant relationships through its dedicated property managers and local expertise, which combined with Brookfield’s global institutional relationships, has led to an 85% tenant retention rate between April 1, 2015 and March 31, 2021.

As of March 31, 2021, our Portfolio had a Committed Occupancy of 87%, Same Store Committed Occupancy of 91% and a WALE of 6.5 years.

**₹65.2 per sf**  
IN PLACE RENT

**31%**  
MTM OPPORTUNITY



Candor TechSpace N2, Noida

**Committed Occupancy, WALE and Lease Maturity Profile (as of March 31, 2021)**

Particulars	Kensington	Candor TechSpace G2	Candor TechSpace N1	Candor TechSpace K1	Brookfield India REIT	
Committed Occupancy (%)	86	92	71	91	87	
WALE (years)	2.5	7.0	7.3	7.3	6.5	
Lease maturity profile – area expiring (M sf)						
Year	2022	0.1	0.7	0.1	0.3	1.1
	2023	0.4	0.1	0.0	0.1	0.6
	2024	0.7	0.0	0.2	0.0	1.0
	2025	0.1	0.2	0.2	0.0	0.6

Our Manager intends to continue to strengthen its long-term relationships with the tenants and proactively maintain communication with them to gain information regarding their needs and requirements. Our Manager also undertakes various tenant engagement activities such as celebrating festivals, organizing sports tournaments and entertainment events, health awareness seminars and quiz contests. Such initiatives help improve tenant retention levels and attract new tenants.

**(vi) Cost of Financing and Capital Expenditure**

Our finance costs were ₹410.77 million or 30.2% of our total income for the period ending March 31, 2021. Our ability to raise debt financing and any reduction in our cost of borrowings positively affects our results of operations.

In order to maintain and upgrade the assets, we incur capital expenditure for refurbishments, renovations and other asset enhancement initiatives. While we have entered into financing agreements for all the projects currently under development within our Portfolio, we may require additional capital to complete the development of the future projects.

**(vii) Regulatory Framework**

The Indian real estate sector is regulated by central, state and local governmental authorities and our Manager devotes significant amount of time and resources to comply with such legislation. Regulations applicable to our operations cover several aspects such as the acquisition of land and land usage, road access, the ratio of built-up area to land area, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply and environmental suitability. Consequently, our results of operations could be affected by the nature and extent of such regulations.

We are governed by the REIT Regulations and are required to comply with certain requirements, including maintaining a specific threshold of investment in rent or income generating properties.

Kensington is registered as a private IT Park on SEZ land with the Directorate of Industries, Mumbai and is required to ensure ongoing compliance with

certain conditions under its registration. Further, Kensington, Candor TechSpace G2 and a significant portion of the land on which Candor TechSpace K1 is located are notified as SEZs and are required to comply with SEZ-related rules and regulations. These assets are also entitled to certain tax benefits, the continuing availability of which may affect our results of operations.

**(viii) Competition**

We operate in competitive markets and competition in these markets is based primarily on the availability of Grade A office premises. The principal means of competition are rent charged, location, services and amenities provided and the nature and condition of the premises to be leased. Competition from other developers in India could result in price and supply volatility which may affect our ability to lease while continued development by other market participants could result in saturation of the real estate market.

**(ix) Operating and Maintenance Expenses**

Our operating and maintenance expenses primarily consist of repair and maintenance (of buildings, common areas, machinery and others), power and fuel expenses, property management fees and expenses related to housekeeping and security services. Factors which impact our ability to control these operating expenses include (but are not limited to) asset occupancy levels, fuel prices, general cost inflation, periodic renovation, refurbishment and other costs related to re leasing.

Our maintenance service agreements with tenants are typically structured as cost plus contracts. The actual costs incurred towards maintenance are billed by Asset SPVs to tenants along with a mark-up as per contract. On account of COVID-19, maintenance service expenses across our assets have reduced on account of lower electricity consumption and lower incidence of maintenance activities. The Manager has passed on these cost reductions to tenants in the form of lower maintenance services charges. If the physical occupancy of our campuses remain low for an extended period of time due to the COVID-19 pandemic, it will likely negatively impact our maintenance services margins.



↙  
Candor TechSpace K1, Kolkata

CIOP provides services including property management, facilities management and support services to our Candor Asset SPVs. The maintenance fee earned by CIOP from the Candor Asset SPVs is based on a per sf rate card as per the contract between the entities. Like the CAM margins at the Asset SPVs, a prolonged period of low physical occupancy in our campuses will likely negatively impact the margin of CIOP.

**BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Financial Statements comprise our consolidated balance sheet as on March 31, 2021, consolidated statement of profit and loss, consolidated statement of cash flows and consolidated statement of changes in Unitholders' equity for the period July 17, 2020 to March 31, 2021 and a summary of significant accounting policies and other explanatory information. Additionally, it includes the statement of net assets at fair value as of March 31, 2021, the statement of total returns at fair value for the period then ended and other additional financial disclosures as required under the REIT Regulations. The Consolidated Financial Statements were authorized for issue in accordance with resolutions passed by the Board of Directors on behalf of Brookfield India REIT on May 20, 2021. The Consolidated Financial Statements have been prepared in accordance with the requirements of the REIT Regulations read with the SEBI circular number CIR/IMD/DF/146/2016 dated December 29, 2016, Ind AS to the extent not inconsistent with the REIT Regulations (presentation of unit capital as equity instead of compound instruments under Ind AS 32 – Financial Instruments: Presentation), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

**Summary of Significant Accounting Policies**

▪ **New and amended standards (amendment to Ind AS 103 Business Combinations):** The amendments to Ind AS 103 Business Combinations clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

Brookfield India REIT has opted to apply optional concentration test in respect of acquisition of the Asset SPVs.

▪ **Use of judgments and estimates:** The preparation of Consolidated Financial Statements in conformity with Ind AS, to the extent not inconsistent with the REIT Regulations, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimated and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is included in the following notes:

- (i) Presentation of "Unit Capital" as "Equity" in accordance with the REIT Regulations instead of compound instrument
- (ii) determination of useful life and residual values of investment property and property, plant and equipment
- (iii) classification of assets as investment property or as property, plant and equipment
- (iv) determination of recoverable amount/fair value of investment property
- (v) impairment of financial assets, property, plant and equipment and intangible assets
- (vi) recognition and measurement of provisions for contingencies and disclosure of contingent liabilities

- (vii) determination of lease term
- (viii) recognition/recoverability of deferred tax assets
- (ix) Brookfield India REIT has considered possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts and fair value of investment property (including under development). In developing assumptions relating to possible future uncertainties in the Indian economic conditions because of this pandemic; Brookfield India REIT, as of the date of approval of Consolidated Financial Statements, has used internal and external sources of information including reports on fair valuation of investment properties from property consultants, economic forecast and other information from market sources on the expected future performance of Brookfield India REIT. Based on this analysis, Brookfield India REIT has concluded that there is no impairment to the carrying amount of investment property and the fair value of investment property disclosed in the Consolidated Financial Statements represents the best estimate based on internal and external sources of information on the reporting date. The impact of COVID-19 on Brookfield India REIT Consolidated Financial Statements may differ from that estimated as of the date of approval of the Consolidated Financial Statements.

## DISCUSSION ON THE FINANCIAL RESULTS OF BROOKFIELD INDIA REIT FOR FY2021

During the current uncertainties, we continue to demonstrate a resilient financial performance and remain focused on achieving our projected financial targets.

### Consolidated statement of profit and loss from July 17, 2020 to March 31, 2021<sup>1</sup>

Particulars	(₹ in M)	% to Total Income
<b>Income and gains</b>		
Revenue from operations	1,309.42	96.21
Other income	51.65	3.79
<b>Total income</b>	<b>1,361.07</b>	<b>100</b>
<b>Expenses and losses</b>		
Cost of material consumed	2.48	0.18
Employee benefits expenses	28.10	2.06
Finance costs	410.77	30.18
Depreciation and amortization expenses	316.75	23.27
Valuation expenses	5.78	0.42
Trustee fees	2.21	0.16
Other expenses	445.55	32.74
<b>Total expenses</b>	<b>1,211.64</b>	<b>89.02</b>
<b>Profit/(Loss) before income tax</b>	<b>149.43</b>	<b>10.98</b>
<b>Tax Expense</b>		
Current tax		
- for current period	0.44	0.03
- for earlier years	18.89	1.39
Deferred tax charge/(credit)	(122.93)	(9.03)
<b>Tax expense for the period</b>	<b>(103.60)</b>	<b>(7.61)</b>
<b>Profit/(Loss) for the period after income tax</b>	<b>253.03</b>	<b>18.59</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit obligations	(0.35)	
- Income tax related to items that will not be reclassified to profit or loss	0.07	
Other comprehensive income for the period, net of tax	(0.28)	
<b>Total comprehensive income/(loss) for the period</b>	<b>252.75</b>	<b>18.57</b>

<sup>1</sup> With effect from date of registration of Brookfield India REIT

## Principal Components of Consolidated Statement of Profit and Loss

### Total Income

Total income comprises revenue from operations and other income.

#### (a) Revenue from operations

Revenue from operations comprises income from operating lease rentals, income from maintenance services and sale of products, which includes sale of food and beverages and others.

Revenue from Operation	July 17, 2020 to March 31, 2021	% of total revenue from operations
(₹ in M)		
<b>Sale of Services</b>		
Income from operating lease rentals	943.40	72.05
Income from maintenance services	362.88	27.71
	<b>1,306.28</b>	<b>99.76</b>
<b>Sale of Products</b>		
Sale of food and beverages	2.90	0.22
Others	0.24	0.02
<b>Total revenue from operations</b>	<b>1,309.42</b>	<b>100.00</b>

#### Sale of services

- **Income from operating lease rentals** comprises rental income received by the Asset SPVs from leasing of office space to tenants, income from car parking charges, signage fees and fit-out rentals (customized interiors, furniture and fixtures as per client requirements to make the space a plug-and-play facility, as opposed to a warm shell space where the tenant undertakes capital expenditure to do the same). Rental rates for office space and space leased for bank branches, ATMs, retail stores and telecom towers in the office parks are generally fixed with periodic rental escalations for the tenure of the

leases and are subject to review upon renewal or extension of the leases. Food and beverage outlets in the office parks are generally charged rentals on a revenue sharing basis.

- **Income from maintenance services** comprises revenue received from tenants for the maintenance of common areas, including for security and housekeeping services. Lease agreements with tenants typically provide that tenants will be charged the cost of maintaining property as well as a margin on such maintenance costs.

#### Sale of products

- **Food and beverages revenue** refers to the revenue received from the sale of food and beverages.
- **Others** primarily comprises revenue generated from the provision of utilities to tenants who provide food and beverage services.

#### (b) Other Income

Other income comprises: (i) interest income from financial assets at amortized cost, which includes (a) interest income on fixed deposit with banks; and (b) other interest income; and (ii) others, which includes (a) income from scrap sale, (b) interest on tax refunds, (c) liabilities and provisions no longer required written back, and (d) miscellaneous income.

Particulars	July 17, 2020 to March 31, 2021
(₹ in M)	
<b>Interest income from financial assets at amortised cost</b>	
Interest income on fixed deposit with banks	3.21
Other interest	2.49
<b>Others</b>	
Income from scrap sale	1.64
Interest on income tax refund	7.55
Liabilities/provisions no longer required written back	0.02
Miscellaneous income	36.74
<b>Total</b>	<b>51.65</b>



### Total Expenses

Expenses comprise cost of materials consumed, employee benefits expense, finance costs, depreciation expenses, valuation expenses, Trustee fees and other expenses.

#### (a) Cost of materials consumed

Cost of materials consumed comprises of the expenses incurred to reimburse contractors for the purchase of food and beverage items for onward sales to tenants.

#### (b) Employee benefits expenses

Employee benefits expenses comprise salaries, wages and bonus, contribution to provident fund, gratuity expense and compensated absences.

#### (c) Finance costs

Finance costs comprise: (i) interest and finance charges on financial liabilities at amortized cost, which include (a) interest on term loans, (b) interest on non-convertible bonds, (c) interest on lease liability, and (ii) others, which include other borrowing costs.

Borrowing costs in relation to properties under development are capitalized. Once construction is completed, the interest cost is charged to the statement of profit and loss.

#### (d) Depreciation and amortization expenses

Depreciation expenses comprise of the depreciation of property, plant and equipment and intangible assets and depreciation of investment property.

#### (e) Other expenses

Other expenses primarily comprise power and fuel, repair and maintenance, legal and professional fees, property management fees, credit impaired, rates and taxes and miscellaneous expenses.

### Summary of total expenses

(₹ in M)		
Expenses and losses	July 17, 2020 to March 31, 2021	% of total expenses
Cost of material consumed	2.48	0.20
Employee benefits expenses	28.10	2.32
Finance costs	410.77	33.90
Depreciation and amortization expenses	316.75	26.14
Valuation expenses	5.78	0.48
Trustee fees	2.21	0.18
Other expenses	445.55	36.77
<b>Total expenses</b>	<b>1,211.64</b>	<b>100.00</b>

### Tax Expense

Tax expense comprises current tax expenses and deferred tax charges or credits.

### Profit/Loss for the period

As a result of foregoing reasons, there was a profit of ₹253.03 million for the period ended March 31, 2021.

8 With effect from date of registration of Brookfield India REIT

### Items of Other Comprehensive Income

Items of other comprehensive income that will not be reclassified to profit or loss comprise remeasurement of defined benefit obligations and income tax thereon.

### Liquidity, Cash Flows and Capital Resources

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to pay interest on and repay principal under outstanding indebtedness, develop and maintain our Portfolio, maintain sufficient working capital, provide for costs to acquire properties, make distributions to the Unitholders and other general business needs.

As of March 31, 2021, we had cash and cash equivalents of ₹3,155.19 million, comprising balance with banks in current, deposit accounts and in escrow account. We expect to meet our working capital and cash flow requirements for the next twelve months, primarily from cash flows from business operations, cash and bank balances, and short-term and long-term borrowing from banks, financial institutions, investors, or as may be permitted under the REIT Regulations.

### Summary of the statement of cash flows

(₹ in M)	
Particulars	July 17, 2020 to March 31, 2021
Net cash flows generated from operating activities	1,396.22
Net cash flow generated (used in) investing activities	(480.91)
Net cash flow generated from financing activities	1,462.58
Net increase in cash and cash equivalents	2,377.89
Cash and cash equivalents acquired due to asset acquisition	777.30
Cash and cash equivalents at the end of the period	3,155.19

### Operating Activities

Net cash generated from operating activities was ₹1,396.22 million for the period ended March 31, 2021. Our profit before tax was ₹149.43 million, which was adjusted for non-cash and other items by a net amount of ₹726.97 million, primarily for finance cost of ₹410.77 million and depreciation and amortization expense of ₹316.75 million. The changes in working capital primarily comprised a decrease in current and non-current financial assets of ₹302.32 million, partially offset by a decrease in other current and non-current liabilities of ₹292.85 million. We also received income tax refund (net) of ₹573.50 million.

### Investing Activities

Net cash used in investing activities was ₹480.91 million for the period ended March 31, 2021, primarily comprising fixed deposits of ₹347.40 million and expenditure incurred on investment property of ₹132.59 million primarily incurred towards the construction of buildings for Candor Kolkata (for Candor TechSpace G2) and SPPL Noida (for Candor TechSpace N1).

### Financing Activities

Net cash generated from financing activities was ₹1,462.58 million for the period ended March 31, 2021, primarily comprising proceeds from issue of Units of ₹38,000 million and proceeds from long-term borrowings of ₹21,200 million which was partially offset by repayment of long-term borrowings of ₹56,620.43 million and finance cost paid of ₹592.85 million.

### Capital Expenditures and Capital Investments

#### Historical capital expenditure

Capital expenditure comprises addition (net of cost of items disposed) during the period to property, plant and equipment, capital work-in-progress, investment property and investment property under development.

During the period ended March 31, 2021, we incurred capital expenditure of ₹190.38 million, primarily towards the construction of buildings for Candor Kolkata (for Candor TechSpace G2) and SPPL Noida (for Candor TechSpace N1).

#### Planned capital expenditure

Our planned capital expenditure as of March 31, 2021 was ₹2,961 million, including ₹2,207 million for the development of Candor TechSpace K1 mixed use development, ₹252 million for the development of Candor TechSpace N1 amenity block III and ₹502 million towards the completion of asset upgrades/tenant improvements across our Asset SPVs.

### Contingent liabilities

(₹ in M)	
Particulars	As of March 31, 2021
Claims against the special purpose vehicles not acknowledged as debt in respect of income tax matters	766.80
Claims against the special purpose vehicles not acknowledged as debt in respect of indirect tax	2.67
<b>Total</b>	<b>779.47</b>

### KEY FINANCIAL PARAMETERS PORTFOLIO WISE

As the full year financial statements of Brookfield India REIT are not available, the comparison of certain key financial and operational metrics for the Financial Year ended March 31, 2021 are done on a standalone basis with the key financial and operational metrics for the year ended March 31, 2020 of the Asset SPVs and CIOP, based on their historical financial statements.

#### (a) Net Operating Income (NOI)

We use NOI internally as a performance measure as it provides useful information to investors regarding our financial condition and results of operations. We thus consider NOI as a meaningful supplemental financial measure of our performance when considered with the Consolidated Financial Statements determined in accordance with Ind AS. However, NOI does not have a standardized meaning, nor is it a recognized measure under Ind AS or International Financial Reporting Standards and may not be comparable with measures with similar names presented by other companies/real estate





investment trusts. NOI should not be considered by itself or as a substitute for comparable measures under Ind AS or International Financial Reporting Standards or other measures of operating performance, liquidity or ability to pay dividends. Accordingly, there can be no assurance that our basis for computing this non-Ind AS measure is comparable with that of other companies/real estate investment trusts.

We calculate NOI as revenue from operations less direct operating expenses such as operating and property maintenance expenses, facility usage charges, power and fuel, lease rent, repair and maintenance expenses, etc., which are directly incurred in relation to the commercial properties of the respective Asset SPVs

(₹ in M)				
Property Name and Location	FY21	% Operating Lease Rental	FY20	% Operating Lease Rental
Kensington, Mumbai	1,333	91	1,313	88
Candor TechSpace G2, Gurugram	2,725	108	2,699	109
Candor TechSpace N1, Noida	807	112	780	118
Candor TechSpace K1, Kolkata	1,480	106	1,457	110
CIOP	255	-	514	
Intercompany eliminations				
<b>Net Operating Income (NOI)</b>	<b>6,600</b>	<b>108</b>	<b>6,763</b>	<b>114</b>
Less: amount attributable from Identified Assets	(52)		(206)	
<b>Comparable Total</b>	<b>6,548</b>	<b>107</b>	<b>6,557</b>	<b>110</b>

Net Operating Income for FY2021 was ₹6,600 million as compared to ₹6,763 million in FY2020. As the utilization of our parks reduced during the COVID-19 outbreak, our maintenance cost and as a result our maintenance margins witnessed a proportionate reduction, as a result our comparable NOI stayed constant at ₹6,548 million year on year. Further, there was a decrease in property management fees earned from Identified Assets due to mid-year termination of CIOPs operating service arrangement with Identified Assets.

**(b) Property-wise/asset wise income from operating lease rental**

(₹ in M)		
Property name and location	FY21	FY20
Kensington, Powai, Mumbai	1,464	1,488
Candor TechSpace G2, Gurugram	2,518	2,478
Candor TechSpace N1, Noida	718	663
Candor TechSpace K1, Kolkata	1,400	1,325
<b>Total</b>	<b>6,100</b>	<b>5,954</b>

Income from operating lease rentals increased to ₹6,100 million in FY2021 from ₹5,954 million in FY2020 mainly driven by contractual escalations, new area leased during FY2021 and lease rentals from leasing of additional area during FY2020 which generated rental income for a part of FY2020 but generated such income for the entire FY2021, partially offset by new vacancies and waivers to retail food and beverage tenants impacted by the lockdown.

**(c) Property-wise/asset wise revenue from operations**

(₹ in M)		
Property name and location	FY21	FY20
Kensington, Mumbai	1,592	1,616
Candor TechSpace G2, Gurugram	3,657	4,084
Candor TechSpace N1, Noida	1,191	1,318
Candor TechSpace K1, Kolkata	2,092	2,247
CIOP	420	719
Intercompany eliminations	(324)	(417)
Revenue from Operations	8,628	9,567
Less: amount attributable from Identified Assets	(96)	(302)
<b>Comparable Total</b>	<b>8,532</b>	<b>9,265</b>

Revenue from operations for FY2021 was ₹8,628 million as compared to ₹9,567 million in FY2020. As the utilization of our parks reduced during the COVID-19 outbreak, our maintenance cost and as a result our maintenance margins witnessed a proportionate reduction, as a result our comparable revenue decreased. Further, there was a decrease in property management fees earned from Identified Assets due to mid-year termination of CIOPs operating service arrangement with Identified Assets.



**MANAGEMENT FEES AND DISTRIBUTIONS**

Pursuant to the investment management agreement dated July 17, 2020, the Manager is entitled to a fee of 1% of Net Distributable Cash Flows (NDCF), exclusive of applicable taxes, for undertaking the management of Brookfield India REIT and its investments including the Portfolio.

As per our distribution policy, we would be making our first distribution after completion of one full quarter after the listing of Units, i.e., June 30, 2021, as a result statement of NDCF for the period ended March 31, 2021 has not been disclosed. Consequently, management fee has not been accrued for the period ended March 31, 2021.

We have also taken steps to increase the efficiency of our distribution and make the business attractive to a wider set of investors. Effective April 1, 2021, Candor Kolkata has converted compulsorily convertible debentures of face value of ₹10,100 million held by Brookfield India REIT into equity shares and as a result, we expect to double the tax-free portion of distribution to more than 30% of total distributions.

**DEBT PROFILE**

Brookfield India REIT has a conservative capital structure with an 18% gross debt to value. Low leverage, long interest only period and undrawn credit lines provide us with ample liquidity. With interest rates trending downward in the recent past, there may be a potential to reduce interest costs by more than 50 bps. Low leverage at an attractive interest rate can also help carry out accretive acquisitions. As per the terms of the debt raised, the repayment obligations are beyond FY2026, this will augment our liquidity position.

₹ in M

	Facility Type	Interest rate (%)	Sanction	Drawn	Outstanding principal	Rating
<b>Asset SPV</b>						
Candor Kolkata (owner of Candor TechSpace K1 and Candor TechSpace G2)	LRD	7.15	12,500	12,500	12,500	CRISIL AAA/ Stable
	LOC	7.15	1,450	100	100	
SPPL Noida (owner of Candor TechSpace N1)	LRD	7.15	2,000	2,000	2,000	CRISIL AAA/ Stable
	LOC	7.15	850	100	100	
Festus (owner of Kensigton)	LRD	7.15	6,500	6,500	6,500	CRISIL AAA/ Stable
	LOC	7.15	700	0	0	
<b>Total</b>			<b>24,000</b>	<b>21,200</b>	<b>21,200</b>	

**Key Ratios**

**RATIOS - FY2021**

**0.17**  
NET DEBT TO GAV

**2.13**  
INTEREST SERVICE COVERAGE RATIO

Formulae for computation of ratios are on the basis of Consolidated Financial Statements:

- (a) Net Debt to GAV = Net Debt/GAV. Net Debt = Term loans from financial institutions + Non-current lease liabilities + Current lease liabilities – cash and cash equivalents and GAV = Fair value of investment properties and investment properties under development + book value of other assets.
- (b) Interest service coverage ratio = earnings before depreciation, finance costs and taxes/finance costs (net of capitalization)



↙  
Candor TechSpace N1, Noida

**NET ASSET VALUE (NAV) AND VALUATION OF PORTFOLIO**

The Net asset value as of March 31, 2021 stood at ₹316.59 per unit pursuant to the fair valuation of the assets by the independent valuer of Brookfield India REIT and calculated on the net assets of ₹95,864.03 million as per audited Consolidated Financial Statements for the financial year ending March 31, 2021, as compared to the net asset value of ₹311 per unit based on the condensed combined financial statements at the time of initial public offering calculated on the net assets at fair value as of September 30, 2020 of ₹94,229.64 million.

₹ in M

**Net assets at fair value as on March 31, 2021**

Particulars	Book value	Fair value
A. Assets	109,789.63	123,626.13
B. Liabilities	(27,762.10)	(27,762.10)
<b>C. Net assets (A-B)</b>	<b>82,027.53</b>	<b>95,864.03</b>
D. Number of Units	302,801,601	302,801,601
<b>NAV per Unit (C/D)</b>	<b>270.90</b>	<b>316.59</b>

**Valuation technique**

The fair value of investment properties and investment property under development has been determined by Mr. Shubhendu Saha, independent property valuer, having appropriately recognized professional qualifications and recent experience in the location and category of the properties being valued in conjunction with market report by Cushman & Wakefield India Private Limited, industry expert.

The fair value measurement of the investment properties and investment property under development has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

The valuers have followed a discounted cash flow method. The discounted cash flow method considers the present value of net cash flows to be generated from the respective properties, taking into account the expected rental growth rate, vacancy period, occupancy rate, average sf rent and lease incentive costs. The expected net cash flows are discounted using the risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime versus secondary), tenant credit quality, lease terms and investors expected return.

The fair value of investment property and investment property under development stood at ₹114,808 million as of March 31, 2021 as compared to ₹114,074 million as of September 30, 2020.



The Project-wise comparison of break up of fair value and valuation summary as of March 31, 2021 and as of September 30, 2020 is given below.

### Project-wise break up of fair value (as of March 31, 2021)

₹ in M				
S. No.	Entity and Property name	Fair value of investment property and investment property under development	Other assets at book value	Total assets
1	Candor Kolkata (owner of Candor TechSpace K1 and Candor TechSpace G2)	69,195.00	4,245.24	73,440.24
2	SPPL Noida (owner of Candor TechSpace N1)	20,121.00	787.97	20,908.97
3	Festus (owner of Kensigton)	25,492.00	1,907.93	27,399.93
4	CIOF	-	211.78	211.78
5	Brookfield India REIT	-	1,665.21	1,665.21
<b>Total</b>		<b>114,808.00</b>	<b>8,818.13</b>	<b>123,626.13</b>

### Project-wise break up of fair value (as of September 30, 2020)

₹ in M				
S. No.	Entity and Property name	Fair value of investment property and investment property under development	Other assets at book value	Total assets
1	Candor Kolkata (owner of Candor TechSpace K1 and Candor TechSpace G2)	68,964	3,769.20	72,733.20
2	SPPL Noida (owner of Candor TechSpace N1)	19,736	478.54	20,214.54
3	Festus (owner of Kensigton)	25,374	1,821.83	27,195.83
4	CIOF	-	367.18	367.18
5	Brookfield India REIT	-	-	-
<b>Total</b>		<b>1,14,074.00</b>	<b>6,436.75</b>	<b>1,20,510.75</b>

### March 2021 Valuation Summary

S. No.	Asset name and location	Leasable Area (M sf)			Market value (₹ in M)			Brookfield India REIT's ownership
		Completed Area	Under Construction Area	Future Development Potential	Completed Area	Under Construction Area/Future Development Potential	Total	
<b>Portfolio</b>								
1	Candor TechSpace G2, Gurugram	3.86	NA	0.10	43,072	561	43,633	100%
2	Candor TechSpace N1, Noida	1.85	0.08	0.87	16,902	3,218	20,120	100%
3	Candor TechSpace K1, Kolkata	3.06	NA	2.68	21,242	4,321	25,563	100%
4	Kensigton, Powai, Mumbai	1.54	NA	NA	25,492	NA	25,492	100%
<b>TOTAL</b>		<b>10.31</b>	<b>0.08</b>	<b>3.65</b>	<b>106,708</b>	<b>8,100</b>	<b>114,808</b>	<b>-</b>

### September 2020 Valuation Summary

S. No.	Asset name and location	Leasable Area (M sf)			Market value (₹ in M)			Brookfield India REIT's ownership
		Completed Area	Under Construction Area	Future Development Potential	Completed Area	Under Construction Area/Future Development Potential	Total	
<b>Portfolio</b>								
1	Candor TechSpace G2, Gurugram	3.86	NA	0.10	43,022	560	43,582	100%
2	Candor TechSpace N1, Noida	1.85	0.08	0.87	16,723	3,013	19,736	100%
3	Candor TechSpace K1, Kolkata	3.06	NA	2.68	21,001	4,381	25,382	100%
4	Kensigton, Powai, Mumbai	1.54	NA	NA	25,374	NA	25,374	100%
<b>TOTAL</b>		<b>10.31</b>	<b>0.08</b>	<b>3.65</b>	<b>106,119</b>	<b>7,954</b>	<b>114,074</b>	<b>-</b>

### RISK MANAGEMENT

The business paradigm is continuously shifting owing to changes in customer expectations, regulatory updates, and volatility in the economic environment. Our ability to create sustainable value in this environment is dependent on recognizing and effectively addressing key risks that impact the business. To facilitate this, the Board of Directors has overall responsibility of establishing the risk management framework and continuous monitoring of risk profile of Brookfield India REIT. A comprehensive risk management policy and framework has been established to identify and analyze the key business risks. The Board of Directors periodically review the risk management policies and systems to incorporate any changes in the risk profile due to changes in the external environment and strategic priorities. The Board of Directors and the Audit Committee of the Manager is assisted by internal audit team in monitoring the risk profile and effectiveness of mitigation plans to manage the identified business risks.

### INTERNAL CONTROL SYSTEMS

Brookfield India REIT has a well-established internal control system to manage business operations, financial reporting and other compliance needs. The Manager reviews the design, implementation and ongoing monitoring of internal financial controls for efficient business operations, including adherence with policies and procedures, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The business performance vis-a-vis plan is monitored periodically and regular internal audits are performed to ensure sustenance of the internal control environment.